

# UMETAL WEEKLY

## STEEL

Wire Rod & Rebar; HR; CR; Medium Plate; Steel Pipe/Tube

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Weekly Publication for Your Trade Exploration  
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### Steel Prices in Major Cities of China (RMB/t)

City	Product/Spec	Jan 14	Change from Jan 7
Shanghai	20mm Common Carbon Plate	4,970	+120
Beijing	φ25mm HRB335 Rebar	4,620	+70
Guangzhou	1.0mm CR Plate	5,550	+50

More...

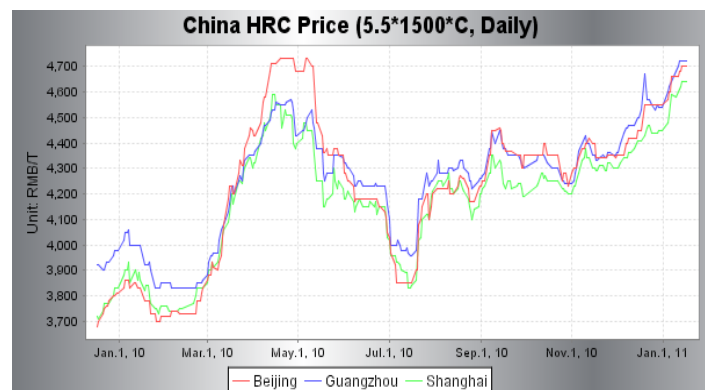
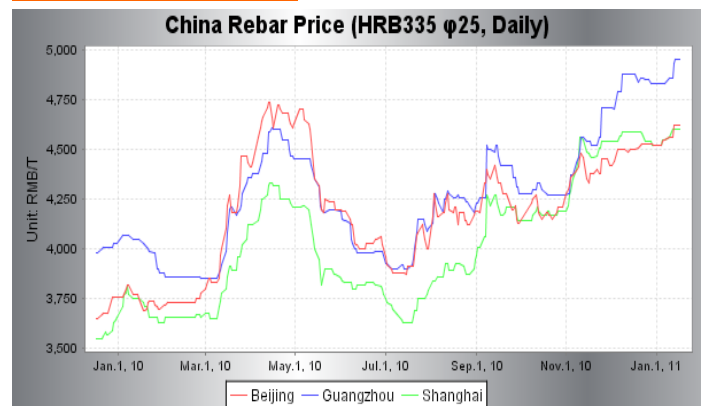


23/F, New Poly Plaza, Dongcheng District, 100010, China  
Tel: 8610-8419 3741 Fax: 8610-8419 3822  
Email: jane@umetal.com Web Site: www.umetal.net

### Weekly Summary on China's Steel Market

UMETAL-CHINA, The domestic first-tier steelmakers successively unveiled their Feb price policies in the week ending Jan 14, which happened to be in the middle of this month. Wuhan Steel, Baosteel and Shougang all lifted steel prices by RMB 100-300/tonne (VAT excluded) while Angang Steel and Benxi Steel were projected to raise Feb prices by about RMB 200/tonne. Taiyuan Steel and Hebei Steel would issue price policies beforehand on the approaching of the Spring Festival, so as to make sure to complete the orders for the next month. Moreover, ...

### Umetal Price Chart



2011 Subscription Rate:  
12 Months: US\$780 or EUR625

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## Industry News in Brief

### China: Shaoguan Steel Adjusts Construction Steel EXW Prices (Jan 10)

UMETAL-CHINA, The Guangdong province-based Shaoguan Iron & Steel Group Co., Ltd (Shaoguan Steel) corrects EXW prices for construction steel on Jan 10 2011, based on its price policy unveiled on Jan 14 2010.

Specifically, EXW prices for high-speed wire rod stay steady. Currently, EXW prices for Q235  $\Phi$ 6.5mm and Q235  $\Phi$ 8-10mm high-speed wire rod are RMB4,910/tonne and RMB4,890/tonne respectively.

Additionally, rebar see EXW prices up by RMB30/tonne. EXW prices for HRB335  $\Phi$ 18-25mm rebar stand at RMB4,850/tonne. Prices for HRB400  $\Phi$ 18-25mm rebar are RMB200/tonne higher than those of HRB335 rebar.

All the aforesaid prices include 17% VAT and take effect as of 9:30, Jan 10, 2011. (Reporting by Cheng Xubao; Editing by [Ediee Jiang](#))

### China: Guangzhou Steel Adjusts Construction Steel Prices (Jan 10)

UMETAL-CHINA, The Guangdong province-based Guangzhou Steel adjusts EXW prices for construction steel today.

Specifically, the latest prices for high-speed wire rod stay unchanged. Q235 $\Phi$ 6.5mm and Q235 $\Phi$ 8-10mm high-speed wire rods are each being priced at

RMB5,180/tonne and RMB5,160/tonne after the adjustments. Presently, the EXW prices for rebar and round steel both grow by RMB30/tonne and prices for HRB335 $\Phi$ 18-25mm rebar and HRB335 $\Phi$ 18-25mm round steel stand at RMB5,150/tonne. HRB400 rebar of the same specification is priced RMB150/tonne higher than HRB335 rebar.

All the aforesaid adjustments, including the 17% VAT, takes effect from 10:00 on Jan 10, 2011. (Reporting by Cheng Xubao; Editing by [Ediee Jiang](#))

### China: Guangzhou Steel to Become an Elevator Company after Consolidation (Jan 10)

UMETAL-CHINA, After two months suspension of transaction, Guangzhou Iron & Steel Co., Ltd. (Guangzhou Steel) announced its consolidation plan on the evening of Jan 9.

After the consolidation, Guangzhou Steel will quit the steel business and become an elevator company, mainly dealing with elevator production, elevator parts production and elevator logistic services, through asset transfer and non-public offering.

According to the insiders with the Management Department of Guangzhou Steel, the company will resume transactions on Jan 10 after the consolidation plan issuing. However, the plan still requires to be approved by the shareholders meeting of Guangzhou Steel, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Ministry of Commerce of China, the China Securities Regulatory Commission and other related government departments before being passed. (Source: yicai.com; Compiling by [Ediee Jiang](#))

## China: Liuzhou Steel Lifts Partial Steel Products' EXW Prices on Jan 10 (Jan 10)

UMETAL-CHINA, The Guangxi province-based Liuzhou Steel corrects partial steel products' EXW prices today based on its price policy unveiled on January 1, 2011.

Specifically, EXW prices for wire rod and rebar keep stable. HRB400 rebar products are priced RMB160/tonne higher than that of HRB335 rebar products.

Moreover, EXW prices for hot rolled coil/plate, medium plate, section and cold rolled coil/plate all see an increase of RMB50/tonne.

All the aforesaid prices included the 17% VAT and take effect as of Jan 10, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	EXW Price
High-speed Wire Rod	Q235 Φ6.5-10mm	5,590
Rebar	HRB335 Φ18-25mm	5,380
Rebar	HRB335 Φ16mm	5,500
Rebar	HRB335 Φ14mm	5,570
Medium Plate	Q235 14-28mm	5,760
Angle Steel	Q235 ∠80-100	5,370
Channel Steel	Q235 8-22#	5,320
Low Alloy Plate	-	5,910
HRC	Q235 5.5mm	5,490
CRC	SPCC1.0mm	6,120

## China: JISCO Adjusts Construction Steel Prices on Jan 10 (Jan 10)

UMETAL-CHINA, Jiuquan Iron & Steel Co., Ltd (JISCO) corrects construction steel prices on January 10, based on its price policy released on December 30, 2010.

Specifically, EXW prices for wire rod and rebar both witness an increase of RMB30/tonne. Presently, EXW prices for Q235 Φ6.5-10mm high-speed wire rod and HRB335 Φ16-25mm rebar stand at RMB4,580/tonne and RMB4,500/tonne separately. Prices for HRB335 Φ12-14mm and HRB400 rebar products are RMB270/tonne and RMB150/tonne higher than that of HRB335Φ16-25mm rebar products respectively.

All the aforesaid prices include 17% VAT and take effect on January 10, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

## China: Steel Exports Witness an Increase of 73% in 2010 (Jan 10)

UMETAL-CHINA, According to the Custom's statistics, China steel exports totaled 42.56 million tonnes, rocketing by 73% year on year, and steel imports down by 6.8% to 16.43 million tonnes. In 2010, China imported 618.63 million tonnes of iron ore, dropping by 1.4% year on year.

In December, China's steel exports stood at 2.85 million tonnes, down by 60,000 tonnes month on month and by 14.67% year on year; steel imports reached 1.41 million tonnes, increasing by 30,000 tonnes month on month while down by 4.73% year on year.

From January to December, China' s billet products exports were 140,000 tonnes up by 229.1% year on

year; and imports down by 86.1% to 640,000 tonnes. In December, billet imports amounted to 70,000 tonnes.

In December, China imported 58.08 million tonnes of iron ore, increasing by 700,000 tonnes month on month while down by 6.56% year on year. In 2010, China cumulatively imported 618.63 million tonnes of iron ore, dropping by 1.4% year on year. (Source: Bulk Stock Net; Compiling by [Simon Liu](#))

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### **AISI: Weekly US Crude Steel Production (January 1- January 8, 2011) (Jan 11)**

In the week ending January 8, 2011, domestic raw steel production was 1,722,000 net tons while the capability utilization rate was 71.2 percent. Production was 1,552,000 tons in the week ending January 8, 2010, while the capability utilization then was 64.2 percent. The current week production represents a 11.0 percent increase from the same period in the previous year. Production for the week ending January 8, 2011 is up 2.3 percent from the previous week ending January 1, 2011 when production was 1,683,000 tons and the rate of capability utilization was 69.6 percent.

Adjusted year-to-date production through January 8, 2011 was 1,962,000 tons, at a capability utilization rate of 71.2 percent. That is a 10.7 percent increase from the 1,773,000 tons during the same period last year, when the capability utilization rate was 64.2 percent.

Broken down by districts, here's production for the week ending January 8, 2011 in thousands of net tons: Northeast Coast: 85; Pittsburgh/Youngstown: 124; Lake Erie: 44; Detroit: 120; Indiana/Chicago: 424; Midwest: 254; Southern: 589 and Western: 82.

(Estimate based on reports from companies representing about 50% of the Industry's Raw Steel Capability + includes revisions for previous months)

(Source: AISI)

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### **CISA: Domestic Daily Crude Steel Production Reaches 1.733 MT in Late-Dec (Jan 11)**

UMETAL-CHINA, Jan 10, the ten-day report by the China Iron and Steel Association (CISA) showed that China produced 19.06 tonnes of crude steel in late Dec 2010, an average daily production of 1.733 million tonnes. The accumulated domestic daily production was 1.699 million tonnes in December and recovered significantly from 1.617 MT in Nov, increased by 3.3%.

Currently, the related government department has not officially released the domestic crude steel production for 2010. However in the mid-Dec last year, the Ministry of Industry and Information Technology of China (MIIT) estimated that the domestic crude steel production would reach 620 MT in 2010.

Luo Bingsheng, CISA's vice chairman, notes that China is already a big steel country. In the 12<sup>th</sup> "Five Year Plan" period, China has to speed up the steel industry restructuring, improving China to a powerful steel country.

In the 11<sup>th</sup> "Five Year Plan" period, China was deleting the backward steel production steadily. Totally, 116.96 million tonnes of iron production capacity and 69.14 million tonnes of steel production capacity were deleted, which were 117% and 126% of the planned deleting capacity respectively. (Source: [cscet.com](#); Compiling by [Ediee Jiang](#))

## China: Baosteel Posts a Leap of 120.18% YoY in 2010 Net (Jan 11)

UMETAL-CHINA, Baosteel (600019) reported on Monday evening that the company got a profit of RMB 12.8 billion in 2010, skyrocketing by 120% from a year ago.

According to the performance report, in 2010, Baosteel's operation revenue soared by 36.29% YoY to RMB 202.426 billion while its net jumped by 120.18% from last year to RMB 12.806 billion.

The report has not yet stated any reasons for such a leap in earnings, whereas it noted that Baosteel would explain further in its 2010 annual report due on Mar 31, 2011.

The non-steel businesses contribute a lot to Baosteel's proceeds, an insider revealed.

As the steel sector has been stuck in a low-profit status, steelmakers, such as Baosteel, Wuhan Steel, Angang Steel and Jinan Steel, are actively looking for ways to expand their businesses in other areas.

With scales extending every year, the non-steel businesses under Baosteel are predicted to account for 1/6 of the company's total profits in 2010.

Baosteel Group will continue increasing its investment in various fields like the new materials and new energy resources industries in the coming years, the company added. (Source: Beijing Business News; Compiling by Tobey Li)

## China: Shagang Releases Steel Prices for Mid-Jan (Jan 11)

UMETAL-CHINA, The Jiangsu province-based

Shagang reveals steel EXW prices for mid-January sales on January 11, based on its price policy unveiled on Jan 1, 2011.

Specifically, EXW prices for rebar, high-speed wire rod and coiled rebar all increase by RMB50/tonne.

All the aforesaid prices include 17% VAT and take effect as of January 11, 2011. (Reporting by Cheng Xubao; Editing by Ediee Jiang)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	EXW Price
Rebar	HRB335 Φ16-25mm	4,800
Rebar	HRB400 Φ16-25mm	4,920
Common Carbon High-speed Wire Rod	Q235 Φ6.5mm	4,850
Coiled Rebar	HRB400 Φ8mm	5,050

## China: Baosteel Lifts Feb Prices for Key Steel Varieties on Jan 10 (Jan 11)

UMETAL-CHINA, Baosteel raised its main product prices for Feb sales on Jan 10.

Specifically, prices for HR steel, pickled coil, CR steel and medium plate were all up by RMB 100/tonne.

Moreover, most hot-dipped galvanized sheet (HDG) products, including CQ, DQ, DDQ and S series structural steel and HDG with HR pickled base plate, saw prices up by RMB 100/tonne while other similar products eyed prices unchanged.

Lastly, electro-galvanized coil prices stayed stable. Prices for non-oriented electric steel and oriented electric steel each grew by RMB 100/tonne and RMB 300/tonne.

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Prices
HRC	3.0mm*1250*C SPHC	5,102
HRC	5.5mm SS400	4,492
HR Pickled Coil	3.0mm*1250*C SPHC	5,557
CRC	1.0mm*1250*C SPCC	5,336
CRC	1.0mm*1250*C DC01	5,436
CRC	1.0mm*1250*C DC04	6,776
HDG	1.0mm*1250 DC51D+Z	5,387
HDG	1.0mm*1250 DC53D+Z	6,637
Electro-galvanized Coil	1.0mm*1250 SECC	6,917
Color Coated Coil	TSt01 0.5mm*1000*C	6,907
Non-oriented Electric Steel	0.5mm*1200 B50A800	7,740
Medium Plate	Q235A 14-20mm	4,800
Low-alloy Medium Plate	Q345A 14-20mm	4,950
Container Plate	Q245R 14-20mm	4,950
Shipbuilding Plate	CCSA 14-20mm	4,900

All the aforesaid prices would take effect as of the releasing date. (Source: Baosteel; Compiling by Tobey Li)

## China: Domestic Steel Prices May See an Uptrend Driven by High Costs (Jan 11)

UMETAL-CHINA, Last week, international steel price index released by CRU stood at 187.5, increasing by 6% month on month and by 22.4% year on year. Steel mills in each country all raised EXW prices. This round of price increase resulted from high costs. If overseas steel markets continue to see an uptrend, China's steel exports will increase and domestic steel prices will witness an upswing.

Last week, steel price indexes unveiled by CRU in European, North American and Asian markets rose at different levels. ThyssenKrupp Steel, AK Steel, Nippon Steel and Tata Steel all lifted or announced to raise partial steel products' EXW prices. Reportedly, rising costs push up international steel prices.

In January 2011, spot prices for Indian fines (Fe63.5%) reach US\$177-179/tonne, up by 22% cumulatively for 4 continuous months. Regardless of freight, FOB prices for iron ore have reached US\$160/tonne presently, only US\$5/tonne less than the historical level. Affected by Australia floods, international coking coal prices are at a high level. Reportedly, current spot prices for steelmaking coal rise to US\$250/metric tonne, seeing a rise of 10%. It is predicted that international coking coal prices will continue to show an increase if the infrastructure problem in Queensland cannot be solved.

Besides, decreasing supply of scrap steel is another important factor pushing up international steel prices. As for some foreign steel mills, scrap steel is an important raw material. Affected by climate issues, the collection of scrap steel slows down which tightens the supply of international scrap steel and push up scrap steel prices. Under such circumstances, steel prices also demonstrate an uptrend.

Quotations for imported scrap steel stand at US\$480-500/tonne (CIF), equivalent to RMB3,750-3,850/tonne. While current domestic scrap steel prices are RMB3,550-3,600/tonne, RMB250/tonne lower than international scrap steel prices. Under such circumstances, China's scrap steel imports will show a downtrend and domestic scrap steel resources shortage will get worse. Domestic scrap steel prices will rise correspondingly. (Source: Bulk Stock Net; Compiling by Simon Liu)

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### **Southeast Asia: Square Billet Import Prices Continue to Rise (Jan 11)**

UMETAL-CHINA, Driven by continuous rising scrap steel prices, square billet import prices demonstrate a further increase in Southeast Asia while transactions are poor.

Currently, Korean square billet suppliers provide an offer at US\$660/tonne (CFR) and Malaysia mills raise their EXW prices to US\$660-670/tonne (CFR). CIS gives an offer around US\$640-650/tonne (CFR). Affected by bad weather, only a few traders want to purchase resources and local traders offer a price at US\$630/tonne (CFR).

According to traders, square billet importer in Indonesia and Vietnam are boycotting high quotations. They want to purchase resources at a price no higher than US\$600/tonne (CFR). Rolling mills in Indonesia plan to purchase domestic square billet resources. As costs of scrap steel see a continuous uptrend, local supplies become tightened. (Source: Bulk Stock Net; Compiling by [Simon Liu](#))

### **China: Baosteel Raises Steel Prices for 2nd Straight Month on Increased Costs (Jan 11)**

Baoshan Iron & Steel, China's biggest listed steelmaker, will raise its key product prices for the second straight month in February, driven more by rising costs than a pickup in demand.

Steelmakers across Asia have been raising product prices to cope with a projected increase in raw material prices, particularly coking coal, after massive floods in Australia disrupted supply from the world's top exporter.

"The increase has been expected as raw material cost has been high," said Hu Yanping, an analyst with umetal.

Baosteel, the industry pricing leader in China, said on Tuesday it will lift prices of its main products, including hot-rolled coil and cold-rolled coil, by RMB 100/tonne (US\$ 15/tonne) for February bookings.

Baosteel's peers, including Wuhan Steel and Angang Steel, are expected to follow the price hike at a time when steel demand in top market China is weak as construction activity slows because of the cold winter weather.

Analysts say China's crude steel output may fall in January after rising by 5%t in December as winter power shortages bite.

"Baosteel's orders fell in January compared with December, so the company has been very careful in making such price increases," said Du Hui, an analyst with Qilu Securities. (Editing by [Tobey Li](#))

## China: Rizhao Steel Lifts Section Prices (Jan 12)

UMETAL-CHINA, The Shandong province-based Rizhao Steel corrected EXW prices for H-beam, channel steel and I-steel products on Jan 11 2011, based on its price policy unveiled on December 21 2010.

Specifically, EXW prices for H-beam saw an increase of RMB40/tonne. Prices for channel steel and I-steel both rose by RMB50/tonne.

All the aforesaid adjustment included 17% VAT and took effect as of 18:00, Jan 11, 2011. (Reporting by Fang Qinda; Editing by Ediee Jiang)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification/Material	EXW Price	Region
H-Beam	200*200mm	4,733	Shandong, Shanghai
H-Beam	200*100mm	4,733	Shandong, Shanghai
H-Beam	350*150mm	4,733	Shandong, Shanghai
H-Beam	350*175mm	4,753	Shandong, Shanghai
Channel Steel	-	4,763	Shanghai
Channel Steel	-	4,753	Shandong
I-Steel	-	4,783	Shanghai
I-Steel	-	4,793	Shandong

## China: Steel Prices to Extend the Growth in Q1; Difficulty Still Exist for Earning (Jan 12)

UMETAL-CHINA, The steel market has kept rising for more than two months. Baosteel on Monday

announced to lift its main products prices by RMB 100/tonne for Feb while Angang Steel and Wuhan Steel are expected to follow the price surge as well, thus adding more momentum to the current robust market. It is predicted that steel prices are likely to extend the uptrend in the first quarter of 2011.

Meanwhile, the Jiangsu province-based Shagang raised steel EXW prices by RMB 50/tonne for mid-Jan sales on Tuesday. However, the steel industry will still face difficulties in earning under high prices for steel products and iron ore, the steel analysts noted.

It is the second straight month for Baosteel to elevate EXW prices, an analyst with China Securities Co., Ltd. pointed out. Its common HR plate and CR plate each saw Feb EXW prices soar by RMB 360/tonne and RMB 300/tonne compared with in Dec of 2010, while the company's contract iron ore costs just grew by RMB 95.2/tonne in Q1, 2011 from in Q4, 2010. Even counting in the price gains for coking coal, Baosteel's two-consecutive-month price increases can still fully offset the cost hikes. Additionally, the company's profitability continues rebounding.

In the steel market, mainstream rebar products eyed prices up by almost 10% from at the start of Nov, 2010, with mainstream prices for quality HRB400 rebar exceeding RMB 4,700/tonne to reach RMB 4,730/tonne. Meanwhile, global steel prices are also on a growing path. The world steel scrap prices have maintained an uptrend since Oct of 2010, up by US\$ 150/tonne accumulatively in the past two months, and particularly in the U.S., steel scrap prices have hit a new high since Aug, 2008.

According to the statistics from Umetal, the steelmakers can make a profit of RMB 300 for per tonne rebar production on average, whereas, they can earn RMB 200 for per tonne billet production, an



insider with Hebei Jinxi Iron & Steel Group Co., Ltd told the reporter last weekend.

However, not all steelmakers have a high capacity of passing on costs as Baosteel, for the latter has an advantage of high-end product structure. Overall, it is still hard for the steel sector to improve its profit status in 2011, the analysts said.

High raw materials prices are still the main factors that prop up steel prices. According to the quarterly iron ore pricing system, contract iron ore prices are set to climb by about 8% in Q1 of 2011 from in Q4 of 2010. Moreover, under the massive floods in Australia and the market expectations, the spot markets for iron ore and coking coal are also moving upwards, with Indian iron ore fines (Fe 63.5%) quoted at almost US\$ 180/tonne (CIF).

Generally speaking, the first two quarters in 2010 were a golden era for steelmakers to make profits, as they could use part of their low-priced contract iron ore in 2009 so as to reduce the production costs, and, buoyed by price hikes for steel-making ingredients, domestic steel prices kept rising for several months, which further boosted steelmakers' earnings, commented Du Hui, analyst with Qilu Securities.

However, things are different this year. The steelmakers, pressed by high costs, are not able to thoroughly improve their proceeds despite a surge in steel prices. It even remains to be seen whether the 2011 earnings can surpass those in 2010. In the past year, profit margin for the domestic steel industry merely amounted to 3.5%, much lower than the average level of 6%. (Source: Shanghai Securities News; Compiling by [Tobey Li](#))

## **China: Nucor Further Lift Prices; Flat Products Prices Likely to Hit a Two-year High in U.S (Jan 12)**

UMETAL-CHINA, At the beginning of this week, Nucor, the second largest steelmaker in the U.S., announced it raised prices for flat products by US\$60/net tonne, which was the sixth price rise by Nucor since mid-Nov 2010 and the second in the past two weeks.

Specifically, Nucor lifted spot prices for HRC to US\$800/net tonne (US\$882/tonne, increased by 43% from in mid-Nov 2010). Spot prices for CRC and hot-dipped galvanized sheet (HDG) each rose to US\$900/nt and US\$1000/nt. If this round of price increase is accepted by the market, prices for flat products in the U.S. would peak since Nov, 2008.

Nucor noted that this round of price growth was mainly due to the price rise of steel scrap and the increasing demand.

The service center noted that although the steel scrap prices rose quickly, so frequent price increases by the steelmakers would definitely hurt the traders and terminal users.

Analysts in the U.S. also believe that the prices for flat products will keep rising at a slowing pace and will peak in May. (Source: [cscet.com](#); Compiling by [Ediee Jiang](#))

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## **China: Wuhan Steel Adjusts Silicon Steel Prices for Feb (Jan 12)**

UMETAL-CHINA, The Hubei province-based steelmaker, Wuhan Steel adjusts its silicon steel prices for Feb.

Specifically, prices for non-oriented silicon steel products increase by RMB100/tonne. 50WW800

prices (tax excluded) are RMB7,690/tonne. Prices for oriented silicon steel products rise by RMB300/tonne. 30Q120 prices (tax excluded) stand at RMB15,440/tonne. (Reporting by Cheng Xubao; Editing by Ediee Jiang)

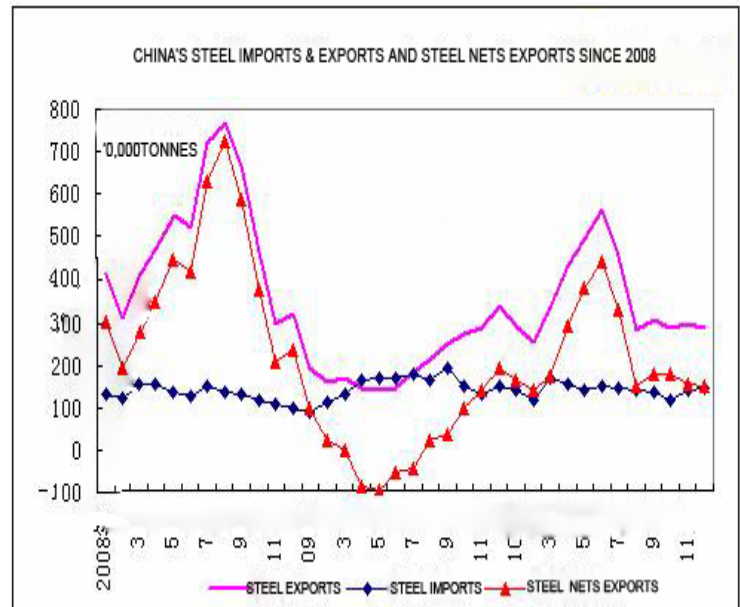
## Umetal: China Crude Steel Supply Hits 600MT in 2010 (Jan 12)

UMETAL-CHINA, According to the Custom's Statistics, China's steel exports saw a slight decrease in December while witnessed a significant increase in 2010. Affected by rising steel prices, steel mills gradually increased their capacity utilization and steel production in December. Under such circumstances, China crude steel supply finally surpassed 600 million tonnes in 2010. Facing more releases of new production capacity, China crude steel production will set a new high in 2011. However, in view of economic environment, China steel exports can hardly maintain a rapid growth.

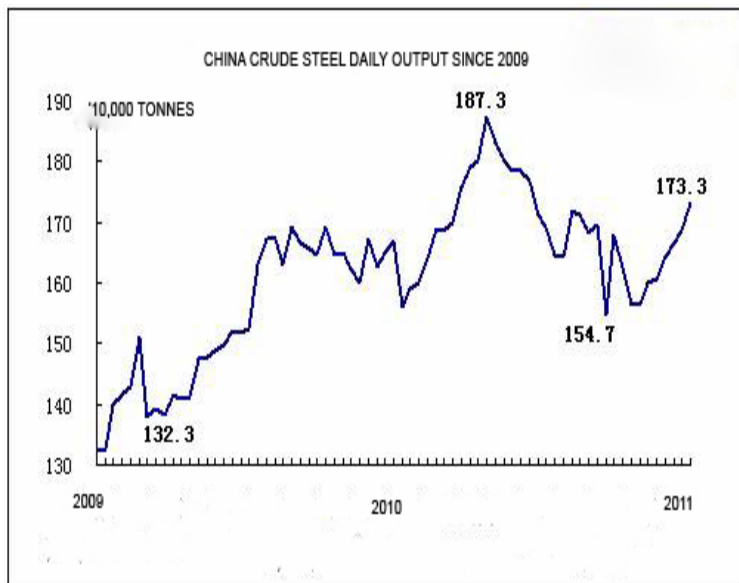
Data shows that China's steel exports totaled 2.85 million tonnes in December 2010, down by 2.1% month on month; and steel imports reached 1.41 million tonnes, up by 2.2% month on month. In December 2010, China's billet product imports stood at 70,000 tonnes and crude steel net exports amounted to 1.45 million tonnes. In 2010, China's steel exports totaled 42.56 million tonnes, rocketing by 73% compared with 2009; steel imports were 16.45 million tonnes, down by 6.7% year on year. During the same period, China's billet products exports reached 64,000 tonnes and imports stood at 14,000 tonnes. It is estimated that China's crude steel net exports were 26.98 million tonnes.

According to Umetal, the slight decrease in steel exports in December was largely affected by intense

international holidays. Besides, facing a sluggish international steel market, traders were cautious of making deals. As for 2010, world economic recovery especially recoveries in developing countries greatly boosted China's steel exports.



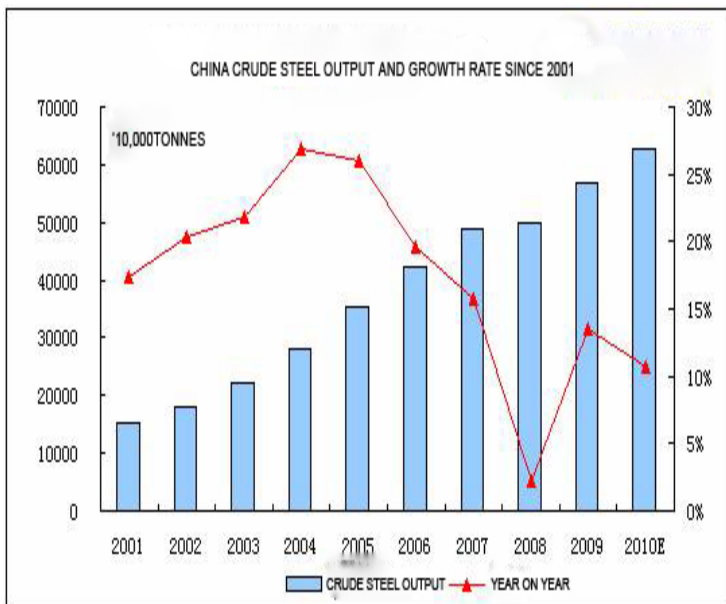
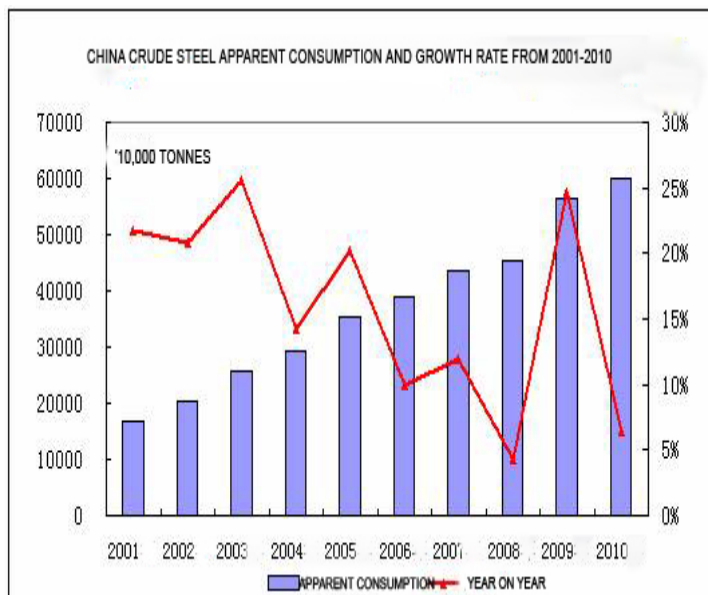
In December, China relaxed its control on energy conservation and emission reduction campaign. Under such circumstances, more and more steel mills resumed production and steel output saw a gradual increase. Meanwhile, rising steel prices stimulated the enthusiasm of steel production. Driven by those two factors, steel output witnessed a significant increase. According to the ten-day report released by China Iron & Steel Association, China produced 19.06 million tonnes of crude steel products in late December; crude steel daily output reached 1.733 million tonnes. In December, China crude steel daily production was 1.699 million tonnes, up by 4.7% month on month.



supply reached 601.57 million tonnes, up by 6.5% year on year.

According to Umetal, newly-increased crude steel output will reach 40 million tonnes and total crude steel production capacity will amount to 800 million tonnes in 2011. Besides, steel production is expected to reach 660 million tonnes and set a new high.

According to the ten-day report, China crude steel daily output was 1.7 million tonnes in December. Judging from that, China crude steel production amounted to 628-629 million tonnes in 2010, increasing by 10.7% year on year.



As for steel exports, world economic recovery will slow down in 2011. According to the latest report released by IMF, world economic growth rate is expected to turn down to 4.2% in 2011. It is predicted that China's steel exports will continue to see a better turn while its growth rate will slow down. The total volume is expected to reach 42-45 million tonnes. In addition, subject to production technology and products quality, partial high-end steel products are still dependant on imports. China's steel imports will maintain stability and its total volume is expected to reach 16-16.5 million tonnes in 2011. (Contributing by Hu Yanping; Editing by Simon Liu)

Due to world economic recovery, China's steel exports saw a significant increase in 2010. China crude steel

China Crude Steel Apparent Consumption from 2003-2011 ('000 tonnes)						
Date	Crude Steel Output	Steel Import	Steel Export	Billet Import	Billet Export	Crude Steel Apparent Consumption
2003	22116	3717	696	588	147	25737
2004	280490	14220	29260	3820	6060	262420
2005	353450	20530	25820	1310	7070	342120
2006	422850	18520	43040	370	9040	388370
2007	489240	16860	62260	240	6430	435260
2008	500310	15460	59270	250	1290	453150
2009	567840	17630	24600	4570	30	565040
2010	628700	16450	42560	500	150	601570
2011	662000	16000	45000	600	100	631970

### South Korea's Steel Exports Hit a New High in 2010 (Jan 12)

UMETAL-CHINA, According to the statistics released by Korea Iron & Steel Association, South Korea's steel exports totaled 24.89 million tonnes in 2010, which largely surpassed the historical record of 20.79 million tonnes set in 2008. In 2010, South Korea imported 25.09 million tonnes of steel products, increasing by 5 million tonnes year on year and exceeding 20 million tonnes for 5 years in a row.

Judging from steel products, South Korea's long product exports reached 3.207 million tonnes in 2010, down by 2.6% year on year; and long product imports amounted to 4.125 million tonnes, up by 46.5% year

on year. As for flat products, South Korea exported 17.525 million tonnes and imported 13.48 million tonnes of flat products, increasing by 17.4% and 19.1% year on year respectively.

As Hyundai Steel and Dongbu Steel increased their steel production capacities, as well as POSCO expanded steel product exports, South Korea's flat product imports largely surpassed its exports in 2010. (Source: Bulk Stock Net; Compiling by [Simon Liu](#))

### China: Liuzhou Steel Lifts Construction Steel Prices on Jan 12 (Jan 12)

UMETAL-CHINA, The Guangxi province-based Liuzhou Steel corrects construction steel prices today based on its price policy unveiled on January 1, 2011.

Specifically, EXW prices for wire rod, coil rebar and rebar witness an increase of RMB20/tonne. Presently, Q235Φ6.5-10mm high-speed wire rod is priced at RMB5,610/tonne. EXW prices for HRB335Φ18-25mm and HRB335Φ16mm rebar stand at RMB5,400/tonne and RMB5,520/tonne respectively. Prices for HRB335Φ14mm rebar reach RMB5,590/tonne. HRB400 rebar products are priced RMB160/tonne higher than that of HRB335 rebar products.

All the aforesaid prices include the 17% VAT and take effect as of Jan 12, 2011. (Reporting by Cheng Xubao; Editing by [Simon Liu](#))

### China: Shougang Estimates Steel and Iron Production Both Over 30 MT in 2010 (Jan 12)

UMETAL-CHINA, Jan 10, Shougang Group noted it estimated the group produced 32 million tonnes of iron, 31.7 million tonnes of steel and 29.94 MT of steel

products, which fulfilled the three "million-tonne production " plans for pipeline steel, auto steel and shipbuilding plate.

Although Shougang's main plant in Shijingshan district had been fully shut down at the year-end of 2010, the group managed to raise the steel production over 30 MT through mergers with a few domestic steelmakers.

In its news release, Shougang Group said that the second step project of Shougang Jingtang Co., Ltd started operation and constructions for other new steel plants were almost done, which realized the transfer of main business from long products to high end flat and long products. Also, Shougang Group successfully merged with Tonghua Iron & Steel Group Co., Ltd (Tonghua Steel Group) after the mergers with Shuigang Steel Group, Changgang Group, Guiyang Special Steel and Yili Steel.

Tonghua Steel was estimated to make a gross industrial output value of RMB24 billion in 2010, increased by 18.23% than last year.

Additionally, Shougang Group pointed out that the group finished 10.28 MT of competitive products, increased by 2.02 MT YoY. The Ratio of competitive products to the total was 77.9% and the ratio of flat products to strip products was 59.5%. Moreover, the group produced 1.011 MT of pipeline steel, 1.099 MT of auto steel and 1.04 MT of shipbuilding steel, which accomplished the "Three Million-Tonne" target. (Source: yicai.com; Compiling by [Ediee Jiang](#))

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### **China: Shaoguan Steel Adjusts Construction Steel EXW Prices (Jan 13)**

UMETAL-CHINA, The Guangdong province-based Shaoguan Iron & Steel Group Co., Ltd (Shaoguan

Steel) corrected EXW prices for construction steel on Jan 12 2011, based on its price policy unveiled on Jan 10 2011.

Specifically, EXW prices for common carbon high-speed wire rod rose by RMB30/tonne. Currently, EXW prices for Q235 Φ6.5mm and Q235 Φ8-10mm high-speed wire rod were RMB4,940/tonne and RMB4,920/tonne respectively.

Additionally, rebar, round steel and coiled rebar all saw EXW prices up by RMB50/tonne. EXW prices for HRB335 Φ18-25mm rebar stood at RMB4,900/tonne.

All the aforesaid prices included 17% VAT and took effect as of 15:00, Jan 12, 2011. (Reporting by Cheng Xubao; Editing by [Ediee Jiang](#))

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### **China: Shougang Adjusts HR Products Prices for Feb (Jan 13)**

UMETAL-CHINA, Shougang adjusted flat products prices for Feb sales on Jan 12 2011, based on its prices revealed on Dec 17 2010.

Specifically, HR coil/plate EXW prices rose by RMB 200/tonne. Q235 5.5mm\*1500 HRC saw prices at RMB 4,070/tonne.

All the aforesaid prices excluded the 17% VAT and took effect as of Jan 12, 2011. (Reporting by Chen Xubao; Editing by [Ediee Jiang](#))

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### **China: Wuhan Steel Corrects Product Prices for Feb Sales (Jan 13)**

UMETAL-CHINA, Wuhan Iron & Steel Co. Ltd (Wuhan

Steel) released steel selling prices for Feb on Jan 12, based on its Jan price policy.

Specifically, steel cord, 82B wire rod series saw prices up by RMB 150/tonne while prices for other wire rod products were up by RMB 100/tonne.

Additionally, common carbon HR steel prices rose by RMB 200/tonne. Common carbon medium plate, quality carbon medium plate, low-alloy plate and bridge plate all eyed prices up by RMB 200/tonne while shipbuilding plate prices grew by RMB 260/tonne. CR steel prices gained by RMB 100/tonne.

Moreover, prices for galvanized coil produced by No. 1 & 3 Cold Rolling Plant and No. 2 Cold Rolling Plant each increased by RMB 100/tonne and RMB 50/tonne. Tinpated coil prices stayed unchanged while color coated coil saw prices up by RMB 100/tonne.

Lastly, prices for 30Q120 oriented silicon steel and such products of grades above 30Q120 were lifted by RMB 100/tonne while other grades viewed prices up by RMB 200/tonne. All non-oriented silicon steel prices were raised by RMB 100/tonne. Non-oriented silicon steel produced in cold rolling plants was priced RMB 360 lower than similar products produced by silicon steel plants. Section prices remained flat.

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	EXW Price
High-speed Wire Rod	Q235 $\Phi$ 6.5mm	4,340
HRC	Q235 5.5mm*1500	4,220
HRC	SPHC 3.0mm*1250	4,320
Medium Plate	Q235 14-20mm	4,330
CRC	SPCC 1.0mm	4,850
Galvanized Coil	DX51D+Z 1.0mm	5,273

Product	Specification	EXW Price
Electronic Tinpated Coil	MR 0.24mm	5,951
Color Coated Coil	TDC51D+Z 0.5mm	5,875
Non-oriented Silicon Steel	800 (Grade)	7,690

All the aforesaid prices exclude the 17% VAT and have taken effect as of Jan 12, 2011. (Reporting by Chen Caixia; Editing by Tobey Li)

### China: Laiwu Steel Lifts Strip Prices on Jan 12 (Jan 13)

UMETAL-CHINA, Laiwu Iron & Steel Group Co., Ltd. (Laiwu Steel) Lifted strip prices on Jan 12.

Specifically, narrow strip prices were up by RMB 30/tonne. EXW prices for Q235 $\leq$ 360mm narrow strip stood at RMB 4,700/tonne.

Moreover, HR wide strip and CR wide strip both saw prices up by RMB 50/tonne. Q2355.5\*1250mm HR wide strip and SPCC1.0\*1250mm CR wide strip were each priced at RMB 4,700/tonne and RMB 5,510/tonne.

All the aforesaid prices would take effect as of Jan 13, 2011. (Source: Laiwu Steel; Compiling by Tobey Li)

### China: Baosteel's Zhanjiang Project Expected to Be Approved in Apr (Jan 13)

UMETAL-CHINA, Baosteel Group's Zhanjiang Project is expected to get formal approvals from the National Development & Reform Commission (NDRC) around April of 2011, as it was reported on Jan 11.

In late November of 2010, the insiders told Shanghai Securities News that Baosteel Group's Zhanjiang Project was estimated to be formally permitted by the NDRC in around the first quarter of 2011. Moreover, the group intended to start the blast furnace construction in about April of the next year.

Reportedly, Baosteel has injected roughly RMB 35 billion in Zhanjiang Project, the 5 million tonne quality steel production base in Zhanjiang city of Guangdong province. (Source: [www.chinahhce.com](http://www.chinahhce.com); Compiling by Tobey Li)

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### **Indian Steel Mills Plan to Raise Steel Prices (Jan 13)**

UMETAL-CHINA, Steel Authority of India (SAIL), JSW Group and Essar Steel are going to raise steel prices by 2%-3% which will be the second price adjustment in January 2011. The rising prices of raw materials and contradiction between supply and demand may further push up steel prices.

JSW Group plans to lift steel EXW prices by 2%-3% in the middle of January and SAIL decides to raise steel price by RS1,250/tonne, effective on January 10. Besides, Essar Steel also keeps a close eye on steel market and may announce to raise steel prices in the following days. On January 1, 2011, JSW Group and Essar Steel raised their flat products prices by 4%-5% while SAIL lifted its flat products prices by 3%.

Affected by Australia floods, international coking coal prices will witness a significant uptrend. Indian steel mills predict that coking coal contract prices for Q2 are going to increase from US\$225/tonne to US\$300/tonne. Spot prices for coking coal rise rapidly, reaching US\$270/tonne.

Due to rising costs of raw materials, Indian steel mills' profits demonstrate a downtrend. Steel mills have to increase EXW prices to pass on their costs to customers. (Source: Bulk Commodity Nets; Compiling by Simon Liu)

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### **China: JISCO Corrects Flat Products Prices on Jan 13 (Jan 13)**

UMETAL-CHINA, Jiuquan Iron & Steel Co., Ltd (JISCO) lifts flat products prices today, based on its price policy released on January 5.

Specifically, EXW prices for hot rolled coil/plate and medium plate see an increase of RMB60/tonne and RMB30/tonne separately. Presently, EXW prices for Q235 3.75mm hot rolled coil and Q235 14-25mm medium plate stand at RMB4,660/tonne and RMB4,630/tonne respectively.

All the aforesaid prices include 17% VAT and take effect on January 13, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

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### **China: JISCO Adjusts Construction Steel Prices on Jan 13 (Jan 13)**

UMETAL-CHINA, Jiuquan Iron & Steel Co., Ltd (JISCO) corrects construction steel prices today, based on its price policy released on January 10, 2011.

Specifically, EXW prices for wire rod and rebar both witness an increase of RMB40/tonne. Presently, EXW prices for Q235  $\Phi$ 6.5-10mm high-speed wire rod and HRB335  $\Phi$ 16-25mm rebar stand at RMB4,620/tonne and RMB4,540/tonne separately. Prices for HRB335  $\Phi$ 12-14mm and HRB400 rebar products are

RMB270/tonne and RMB150/tonne higher than that of HRB335Φ16-25mm rebar products respectively.

All the aforesaid prices include 17% VAT and take effect on January 13, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

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### **China: Guangzhou Steel Lifts Construction Steel Prices on Jan 12 (Jan 13)**

UMETAL-CHINA, The Guangdong province-based Guangzhou Steel corrected construction steel prices on January 12, based on its price policy released on January 10.

Specifically, EXW prices for high-speed wire rod and coil rebar see an increase of RMB30/tonne. Presently, strike prices for Q235 Φ6.5mm and Q235 Φ8-10mm high-speed wire rod stand at RMB5,010/tonne and RMB4,990/tonne respectively.

Moreover, EXW prices for rebar and round bar rise by RMB50/tonne. Currently, HRB335 Φ18-25mm rebar and HRB335 Φ18-25mm round bar are both priced at RMB5,000/tonne.

All the aforesaid prices included 17% VAT and took effect as of 15:00 on January 12, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

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### **JISF: Japanese Steel Exports to Keep at High Level in 2011 (Jan 13)**

UMETAL-CHINA, Yesterday, the Japan Iron and Steel Federation (JISF) noted that Japan's 2011 steel export might keep the strong status with the solid support of regional demand.

Driven by the demand from the auto and household appliances industries, Japan's steel export reached 3.57 million tonnes in Nov 2010, increased by 9.6% YoY or 4.5% from in Nov 2009, hitting the highest level since Nov 2009.

Of the total Nov steel exports, there were 2.38 million tonnes of common carbon steel and 613,000 tonnes of special steel, each increased by 0.3% & 24.3% YoY or 6.5% & -0.3% from in Nov 2009.

861,000 tonnes of steel were exported to S. Korea, up by 0.3% YoY, or 6.5% MoM. 641,000 tonnes of steel were shipped to mainland China, rising by 18.1% from last year or 7% from in Nov 2009. Moreover, 391,000 tonnes of steel were exported to Thailand, decreased by 10.3% on a yearly basis or increased by 4.5% from in Nov 2009. (Source: cscet.com; Compiling by Ediee Jiang)

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### **Umetal: Steel Prices Likely to Vibrate Upwards after Spring Festival (Jan 14)**

UMETAL-CHINA, Prospects of warmer weather after the Spring Festival, growing demand from the property & construction sectors and limited supply from the steelmakers before the holiday make it easy for the traders to make profits by hoarding resources before the festival. According to the steel analysts, steel product prices are likely to move upwards amid fluctuations after the holiday, albeit by a limited margin.

Umetal cites reasons for such market changes as below.

Firstly, during the six years from 2005 to 2010, the spot markets for HRC and rebar had staged different degrees of rises a month after the Spring Festival except in the year 2009, with the largest increase for



HRC amounting to 13.85% in 2006 and that for rebar to 10.96% in 2008. Historically speaking, the traders usually face relatively low risks in stocking up warehouses before the Spring Festival, as spot prices for HRC and rebar had, on average, each seen a monthly growth of over 4.17% and 3.59% a month after the festival. However, the steel market generally has little momentum to rise two weeks before the Spring Festival. On the one hand, dealings sharply decline as most traders suspend trading and withdraw their cash from the market. On the other hand, large traders has finished storing so far, while the medium and small traders are hard to exert a great impact on the steel prices.

The table below shows more details about steel spot price changes before and after the Spring Festival.

Spot Price Changes for HRC (2005-2010) (%)					
2 Weeks Before	1 Week Before	Spring Festival	1 Week After	2 Weeks After	1 Month After
-0.56	0.00	Feb 9, 2005	1.65	2.23	5.79
2.68	0.89	Jan 29, 2006	3.45	8.04	13.85
1.97	0.00	Feb 18, 2007	0.65	0.66	0.00
0.23	0.17	Feb 7, 2008	-0.23	5.26	9.90
0.55	0.62	Jan 26, 2009	0.48	-3.37	-12.21
0.26	0.00	Feb 14, 2010	0.07	0.07	7.70

Spot Price Changes for Rebar (2005-2010) (%)					
2 Weeks Before	1 Week Before	Spring Festival	1 Week After	2 Weeks After	1 Month After
-0.07	0.00	Feb 9, 2005	0.69	0.07	7.14
0.85	0.85	Jan 29, 2006	0.85	0.00	3.31
0.00	0.00	Feb 18, 2007	0.75	0.76	0.00
0.34	-0.28	Feb 7, 2008	1.55	8.66	10.96
0.79	0.46	Jan 26, 2009	4.41	1.18	-7.58
0.26	0.00	Feb 14, 2010	0.07	0.07	7.70

Secondly, steelmakers will commonly lift steel prices before the Spring Festival, as more equipment maintenance is arranged and the supply-demand relations pick up with declining production capacity in the current month. Moreover, they also have a high expectation about surging demand as a large number of projects will start construction after the festival. Baosteel, usually setting a tone for the overall steel market, has not yet made any decreases during 2005-2011 period, and instead, it either kept its prices unchanged or made an increase in its last price policy before the festival, no matter it was quarterly pricing before 2008 or monthly pricing after that

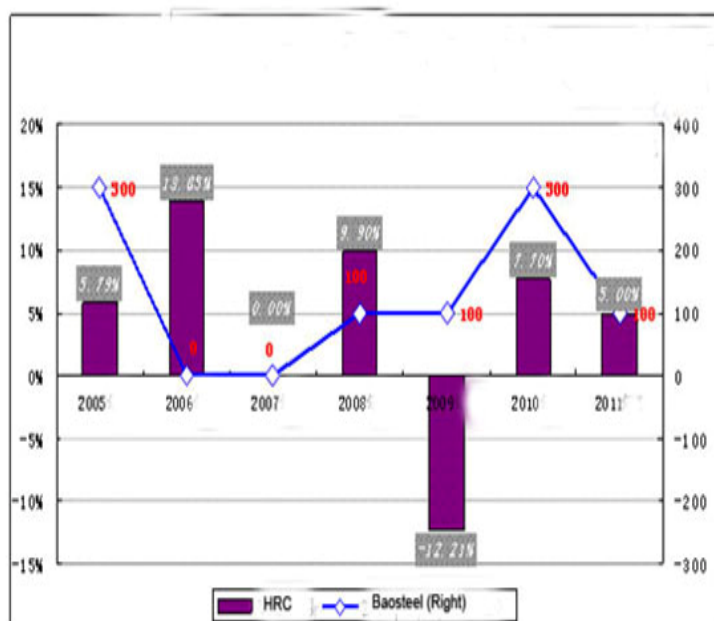
The table below shows more details about Baosteel's price changes just before the Spring Festival. (Unit: RMB/tonne)

Adjustment Time	Spring Festival	Change	Pricing System
2004-11-24	2005-2-9	+300	Quarterly Pricing
2005-11-22	2006-1-29	-	Quarterly Pricing

Adjustment Time	Spring Festival	Change	Pricing System
2006-11-23	2007-2-18	-	Quarterly Pricing
2007-12-22	2008-2-7	+100	Quarterly Pricing
2009-1-22	2009-1-26	+100	Monthly Pricing
2010-2-12	2010-2-14	+300	Monthly Pricing
2011-1-11	2011-2-3	+100	Monthly Pricing

Generally, Baosteel's price hikes will prop up the spot market. From 2005 to 2010, HRC prices had demonstrated an uptrend to different extents a month after the Spring Festival, except in 2009, when the economic crises disturbed the steel market.

The figure below shows more details about the relation btw Baosteel's price changes before the Spring Festival & HRC price changes a month after the Spring Festival from 2005 to 2011. (Unit: RMB/tonne)



Thirdly, the international capital market keeps on operating during the Chinese Spring Festival. In the past six years, foreign quotes for copper had viewed five surges, with an average hike of over 3.5%, except a slight decline in 2009. Domestically, Shanghai Stock Index mainly kept growth in the first week after the Spring Festival, albeit at a different pace from the steel futures market. Therefore, the steel market tendency relies more on the reality than on the capital market.

On the whole, the Chinese domestic steel market will not gain robustly before the Spring Festival while it will show an upswing after that, but with a finite margin on slower iron ore price surges. (Contributing by Zhang Jiabin; Editing by [Tobey Li](#))

### Shougang Halts Steel-making Operations in Beijing (Jan 14)

Shougang Group, a leading heavyweight steelmaker in China, announced Thursday it had halted all its steel-making operations in Beijing amid efforts to cut air pollution in the capital.

A shutdown ceremony was held Thursday morning in Shougang's Shijingshan site in western Beijing, marking the end of the company's plant that was founded almost a century ago and had an annual production capacity of 8million tonnes.

That also means Shougang had reduced air pollutants it had discharged into the capital's sky from the maximum of 9,000 tonnes a year to zero now.

"We fulfill our solemn commitment to the nation and the people," Zhu Jimin, board chairman of Shougang, told the ceremony.

The company has built a 21-square-kilometer new plant in Caofeidian, an islet 220 kilometers east of

Beijing in Bohai Bay, to replace Shougang's old facilities.

China has encouraged steelmakers to build factories in coastal areas to take advantage of ports to minimize the purchasing cost of iron ores.

Vice Premier Zhang Dejiang attended Thursday's shutdown ceremony, saying the relocation was significant as it is the first steelmaker to have moved from a big city to a coastal area.

"The relocation has strategic significance in promoting the restructure of the iron and steel industry, and transformation of urban functions," he said.

"It is also an important move for China to accelerate the transformation of economic development mode," he said.

Founded in 1919, Shougang once hit a record of 10 million tonnes of annual output, with more than 200,000 workers at the peak.

It was located in Shijingshan District, 17 kilometers away from Tian'anmen, central Beijing. With the city's rapid urbanization over the past decades, the site -- once on the outskirts - became part of the urban areas.

But because of the existence of Shougang, Shijingshan had long been known as an unsuitable place for living due to serious air pollution.

"Dust could be seen almost everywhere in the past," said Lu Zengzhi, a retired Shougang worker.

"Local residents dared not to go outdoors to enjoy the cool during sweltering summer nights, they dared not eat meals outdoors and dared not dry clothes outdoors -- in just one night, white clothes could be turned black," he said.

After getting approval by the National Development and Reform Commission in 2005, Shougang initiated its relocation program, the largest industrial relocation in China since the 1960s.

Beijing municipal government formed a unit to oversee the shutdown. It took more than two years to bring operations completely to a halt, said Li Yan, chief of Shougang's production department in charge of the halting program.

The production line at the Shijingshan plant permanently ceased to function at 1:36 p.m. on December 21, 2010 after the last roll of steel wires was churned out, signaling the end of air pollution that Shougang had brought to Beijing, Li said.

"Shougang has been trying hard to cut pollution from steelmaking and protect environment since 2005. In this regard, we have invested RMB220 million (about US\$33.3 million) in 36 projects," said Tang Danping with Shougang's environment protection department.

Authorities in Beijing are now working to transform Shijingshan into a "Central Recreation District."

"Few people were willing to live in Shijingshan several years ago. But now, the relocation of Shougang and improvement of environment are turning the district into a comfortable place to live," local resident Zhang Yuguang said.

"The housing prices have doubled in two years," he added.

As the old Shougang workshops are being developed into a base of culture and creative industries, showcasing topics such as a museum of steelmaking history, alongside a center of modern logistics, new Shougang plant infrastructure have emerged at Caofeidian, which falls under jurisdiction of Tangshan City, Hebei Province.

"The relocation does not mean that we simply move pollution out of Beijing, but that we are building a new, hi-tech plant with lower resources consumption, less pollution and good economic returns," Shougang's board chairman Zhu Jimin said.

Construction on the new plant, known as Shougang Jingtang, began in March 2007. The new plant began production in August 2008. By the end of 2010, Shougang Jingtang had reported an annual output capacity of 9.7 million tonnes of iron.

The massive relocation project also involves a new cold rolling plant in Shunyi, a suburban district in Beijing's northeast, and another smaller steelmaking plant in Qian'an, a small city in Tangshan. (Editing by [Simon Liu](#))

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### **S. Korea's POSCO Posts a Weaker-than-expected Profit in Q4 of 2010 (Jan 14)**

POSCO (005490.KS), the world's No.3 steelmaker, reported a nearly 60 percent fall in quarterly operating profit, missing its own estimate, amid tepid global demand for steel and high raw material costs.

The South Korean company on Thursday said its October-December operating profit was 653 billion won (\$588.8 million), well below its revised target of around 800 billion won in October and a consensus forecast of 956 billion won from Thomson Reuters I/B/E/S.

In October, POSCO cut its 2010 operating profit target by 7 percent, suggesting its fourth-quarter profit would slide to around 800 billion won, as it struggles with weak demand and overcapacity in the industry.

The fourth-quarter profit is down from 1.59 trillion won a year ago and from 1.1 trillion won the previous quarter.

Shares in POSCO, which trails ArcelorMittal (ISPA.AS) and China's Baosteel (600019.SS), slumped 21 percent last year, underperforming the broader market's .KS11 22 percent gain. (Editing by [Tobey Li](#))

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### **China: Shaoguan Steel Lifts Partial Flat Products Prices on Jan 13 (Jan 14)**

UMETAL-CHINA, The Guangdong province-based Shaoguan Iron & Steel Group Co. Ltd (Shaoguan Steel) adjusts EXW prices for flat products on Jan 13, based on its price policy unveiled on Jan 10.

Specifically, common carbon plate, low-alloy plate, boiler plate and bridge plate all see prices up by RMB 30/tonne. Currently, Q235 14-20mm medium plate is priced at RMB 5,020/tonne. Prices for quality carbon rolled steel plate and shipbuilding plate rise by RMB50/tonne.

All the aforesaid prices include the 17% VAT and will take effect as of 15:00, Jan 13, 2011. (Reporting by [Cheng Xubao](#); Editing by [Ediee Jiang](#))

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### **Taiwan's China Steel to Raise Prices for March (Jan 14)**

China Steel Corp, Taiwan's top steel producer, said on Thursday it would raise domestic prices of its steel products by an average of about 2.9 percent for March.

It said the rise was due in part to flooding in Australia that had pushed up coal prices and bad weather in the United States and in iron ore supplier Brazil. (Editing

by Ediee Jiang)

The table below shows more details. (Unit: T\$/tonne)

Product	Price Change
Sheet Steel	+824
Rods	-
HR Mid/High Carbon and Low Alloy	+973
CR Mid/High Carbon and Low Alloy	+661
Galvanized Steel Coil	-
Electromagnetic Coil	-
Hot Dip Galvanizing Coil	+1,252

### Japan's Nippon Steel Lifts H-beam Prices by 11-12% (Jan 14)

Nippon Steel Corp (5401.T) has raised its January price for H-beam steel used in construction by around 11-12 percent from December, two industry sources said, as raw materials costs surge and global demand for construction steel recovers.

Nippon Steel, the world's No.4 steelmaker and a major producer of H-beams in [Japan](#), has told distributors it is raising prices by 10,000 yen (\$120) per tonne, the sources with direct knowledge of the matter said.

It would be the second straight month of price hikes. According to industry sources, Nippon Steel in December raised its H-beam price by 4 percent or 3,000 yen, the first price hike in seven months.

The price rise may also signal a fledgling recovery in the domestic construction sector, which has been hit by government cuts on infrastructure spending and corporate reluctance to expand at home given flagging domestic demand.

H-beams are used in non-residential and commercial construction.

Nippon Steel declined to comment on the price rise. A company source confirmed one was in the works, although he would not say by how much. He added the company's H-beam stocks remain at historically low levels as buyers, worried that prices will only increase, rush to grab supplies.

Nippon steel's H-beam inventories at the end of December stood at 148,900 tonnes, a record low and down 300 tonnes from a month before.

Prospects of growing demand for construction steel in Asia and the United States, higher H-beam prices in international markets and surging prices for materials like steel scrap were behind the price rise, he said.

"Overall demand is still weak in the domestic market, but we see a pick-up in demand from small construction projects and from production facilities of liquid crystal display panels," he added.

The other major producer of H-beams in Japan, Tokyo Steel Manufacturing Co (5423.T), said late last month that it would raise H-beam prices by 8,000 yen, or 12 percent, to 75,000 yen from January after the cost of steel scrap rose nearly 30 percent in two months.

Asia's steelmakers have also been raising product prices to cope with a projected increase in raw materials prices, in particular coking coal.

Baoshan Iron & Steel (600019.SS), China's s biggest listed steelmaker, this week announced price hikes on its key products for the second straight month, to take effect in February, driven more by rising costs than a pickup in demand. (Editing by [Tobey Li](#))

### China: Bayi Steel Gets a Net of RMB 535 Million, Jumping by 385% YoY (Jan 14)

UMETAL-CHINA, Baosteel Group Xinjiang Bayi Iron & Steel Co., Ltd (600581) reported a yearly jump of 385.28% in 2010 net profits on Thursday evening, which amounted to RMB 535 million.

In 2010, the company got an operation revenue of RMB 23.666 billion, a yearly hike of 43.84%. Its earnings per share were RMB 0.70, quadrupling that of last year.

Baosteel (600019) said in its prior 2010 performance report that the net profits attributable to the shareholders of its listed companies soared by 120.18% year-on-year to RMB 12.806 billion. (Source: [www.chinahhce.com](http://www.chinahhce.com); Compiling by Tobey Li)

### China: Shougang Adjusts Medium Plate Prices on Jan 14 (Jan 14)

UMETAL-CHINA, On Jan 14 2011, Shougang adjusts its medium plate prices, based on its flat product price policy issued on Dec 21 2010.

Specifically, medium plate prices all increase by RMB100/tonne. Currently, Q235 14-20mm medium plate EXW prices are RMB4,520/tonne. Prices for Q345 14-20mm low-alloy plate stand at RMB4,700/tonne. Prices for CCSA 20mm shipbuilding plate quote at RMB4,720/tonne.

All the aforesaid prices exclude the 17% VAT and take effect as of Jan 14, 2011. (Reporting by Cheng Xubao; Editing by Edie Jiang)

### China: Kunming Steel Raises Construction Steel Prices on Jan 14 (Jan 14)

UMETAL-CHINA, The Yunnan province-based Kunming Iron & Steel Group Co.,Ltd (Kunming Steel) lifts strike prices for construction steel on January 14, based on its price policy unveiled on January 11, 2011.

Specifically, strike prices for rebar, wire rod and coil rebar all rise by RMB20/tonne.

All the aforesaid prices include 17% VAT and takes effect on January 14, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Price
Rebar	HRB335 Φ16-25mm	5,170
Rebar	HRB400 Φ16-25mm	5,300
Rebar	HRB335 Φ12-14mm	5,380
Rebar	HRB400 Φ12-14mm	5,510
Rebar	HRB335 Φ28-32mm	5,250
Rebar	HRB400 Φ28-32mm	5,380
Rebar	HRB335 Φ36mm	5,320
Rebar	HRB400 Φ36mm	5,450
Rebar	HRB335 Φ40mm	5,420
Rebar	HRB400 Φ40mm	5,550
Common Wire Rod	Q235 Φ8-10mm	5,020
High-speed Wire Rod	Q235 Φ6.5-12mm	5,140
Coil Rebar	HRB400 Φ8-10mm	5,250
Coil Rebar	HRB400 Φ6mm	5,440

### China: Sansteel Minguang Mandates China International Iron & Steel Co.,Ltd (Jan 14)

UMETAL-CHINA, According to today's announcement, Sansteel Minguang Co.,Ltd is going to mandate China International Iron & Steel Products Co.,Ltd's 32% stake, holding by Fujian Metallurgy Share Controlled Co.,Ltd, a further move to take over those shares.

Data shows that China International Iron & Steel Products Co.,Ltd is a joint venture company founded in 1984. Fujian Sangang Group Xiaojiao Steel Rolling Mill funded US\$6.88 million, representing 43% of the shares and Fujian Metallurgy Share Controlled Co.,Ltd invested US\$5.12 million, accounting for 32%. Besides, ZicLink Int'L Inc contributed US\$4 million and occupied 25% of total shares. The main products of China International Iron & Steel Products Co.,Ltd are wire rod, round bar and rebar etc.

In 2010, China International Iron & Steel Products Co.,Ltd produced 359,400 tonnes of wire rod, 11,800 tonnes of round bar and 414,200 tonnes of rebar products, achieving main business income of RMB2.547 billion and total profits of RMB12.2547 million. Up to December 31, 2010, its total and net assets reached RMB1.834 billion and RMB76 million respectively.

According to the announcement, custody period started from January 1, 2011 and trustee fee would be RMB300,000 during 2011-2012. One month ago, Anshan Steel Group planned to take over Sansteel Minguang's controlling shareholder- Fujian Sangang Group. The acquisition proposal was subject to approval from the China's Ministry of Industry and Information Technology. Once the proposal gets approved, Anshan Steel Group will become the actual controller of Sansteel Minguang. (Source: Shanghai Securities News; Compiling by [Simon Liu](#))

### China: Echeng Steel Lifts Partial Steel Prices on Jan 14 (Jan 14)

UMETAL-CHINA, The Hubei province-based Echeng Steel raises partial products' EXW prices on January 14, based on its price policy released on January 5, 2011.

Specifically, EXW prices for rebar and common round steel see an increase of RMB100/tonne. Prices for common carbon high-speed wire rod rise by RMB20/tonne. Presently, EXW prices for  $\Phi$ 18-25mm rebar,  $\Phi$ 25mm common round steel and  $\Phi$ 6.5mm high-speed wire rod stand at RMB5,000/tonne, RMB5,060/tonne and RMB5,050/tonne separately.

All the aforesaid adjustments take effect on January 14, 2011. (Reporting by Cheng Xubao; Editing by Simon Liu)

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### China: Baotou Steel Adjusts Prices for Medium Plate (Jan 14)

UMETAL-CHINA, The Inner Mongolia-based Baotou Steel adjusts its EXW prices for medium plate on Jan 14.

Specifically, EXW prices for all medium plate products are up by RMB180/tonne.

All the aforesaid prices include the 17% VAT and take effect as of Jan 14, 2011. (US\$ 1=RMB 6.6040; Reporting by Cheng Xubao; Editing by [Ediee Jiang](#))

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	EXW Price
Medium Plate	Q235 14-20mm	5,010
Low-alloy Plate	Q345B 14-20mm	5,210
Low-alloy High-strength Plate	Q460C 14-20mm	5,510
Quality Carbon Plate	45#-50# 14-20mm	5,210
Container Plate	Q345R 14-20mm	5,430
Beam Plate	16MnL 14-20mm	5,610

## Umetal Reports

### China: Coated and Galvanized Coil/Plate Markets Show Tentative Growth in Beijing (Jan 10)

UMETAL-CHINA, Overall galvanized coil/plate markets demonstrate a tentative uptrend in Beijing while prices for color coated coil/plate keep stable.

Ever since last week, prices for coated and galvanized coil/plate cumulatively rose by RMB100/tonne. Traders said that shipments were under normal condition and transactions did not show obvious fluctuation. This round of price increase resulted from the shortage of steel resources. Reportedly, inventories of most traders in Beijing are not so much. Besides, most traders holding a positive attitude towards the coming market also push up steel prices. If Hengtong Steel cannot deliver steel resources to Beijing market in short terms, coated and galvanized coil/plate market will continue to maintain an uptrend. (Contributing by Cheng Xubao; Editing by Simon Liu)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Price	Producer
Galvanized Coil	0.5mm	5,700	Hengtong Steel;
Galvanized Coil	0.5mm	5,860	Benxi Steel
Galvanized Coil	0.5mm	5,800	Shougang
Galvanized Coil	1.0mm	5,500	Shougang
Galvanized Coil	1.0mm	5,450	Benxi Steel
Galvanized Coil	1.0mm	5,550	Hengtong Steel
Color Coated Coil	0.476mm	6,300	Langfang Yueyo Color Coated Sheet Co.,Ltd
Color Coated Coil	0.476mm	6,320	Tianjin Xin Color Ltd
Color Coated Coil	0.476mm	6,300	Hebei Zhonggang Steel
Color Coated Coil	0.5mm	8,080	Baosteel

### China: Construction Steel Prices Are in Mixture of Rises and Falls in Tianjin (Jan 10)

UMETAL-CHINA, Today, the construction steel market shows divergence for different products in Tianjin.

Last weekend, transactions were flat overall and transactions for high-priced wire rod were not favorable. Today, traders quote prices cautiously. Rebar prices rise amid stability. HBR335 rebar resources are somewhat scarce. 25mm and 28mm HBR335 rebar stocks are in short and prices are mostly at RMB4,780-4,620/tonne. Prices for high-speed wire rod from Jiujiang Steel drop slightly



due to unfavorable transactions. The wire rod traders focus on expanding sale. Since Hebei Steel has not released its price policy for mid-January yet, most traders keep a wait-and-see attitude. Traders hold a positive perspective under the impact of the futures price rises, low spot prices, good transactions of short-handed specifications and high inventories. In the futures market, main contract 1105 for rebar futures close at RMB 4,834/tonne at noon, up by 0.73%. (Contributing by Cheng Xubao; Editing by Ediee Jiang)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Price	Change	Producer
High-speed Wire Rod	6.5-10mm	4,590	-	Shougang ; Xuanhua Steel; Tangshan Steel; Chengde Steel
High-speed Wire Rod	8-10mm	4,480-4,490 (mainstream)	-10	Jiujiang Steel, Delong Steel
Rebar	18-25mm HRB 335	4,580-4,600	+30	-
Rebar	18-25mm HRB 400	4,740-4,750	+10	-
Coiled Rebar	8-10mm HRB 400	4,750	-	Xuanhua Steel, Chengde Steel

## China: Construction Steel Market Maintains Stability in Beijing (Jan 11)

UMETAL-CHINA, Mainstream prices for construction steel keep stable in Beijing in early morning trading.

Yesterday, overall shipments were weak. Major traders had sales volume of 500-1,000 tonnes and only a few traders sold more than 1,000 tonnes. As for today, Hebei Steel lifts HRB335 rebar products prices by RMB10/tonne. Presently, prices for HRB335 18-25mm rebar stand at RMB4,570/tonne. For other major traders, MccRuitai (Beijing) Technology and Trade Co.,Ltd lowers its selling prices while Beijing ZhiHengDa Investment Group Co., Ltd lifts selling prices. Most other steel traders keep their prices unchanged. Currently, local market is short of HRB335 32mm rebar resources. Prices for HRB335 32mm rebar are RMB100/tonne higher than that of HRB335 28mm rebar products. Reportedly, Chengde Iron & Steel Group Co.,Ltd still does not produce HRB335 32mm rebar products these days.

Rebar futures contract has opened at RMB4,834/tonne today, down by 0.02% compared with yesterday. (Contributing by Cheng Xubao; Editing by Simon Liu)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Price	Change
High-speed Wire Rod	8mm	4,580-4,600	-
Rebar HRB335	12mm	4,760	-
Rebar HRB335	16-25mm	4,550	-
Rebar HRB400	12mm	4,940	-
Rebar HRB400	16-25mm	4,750	-
Coil Rebar	-	4,740	-

## China: Prices for Silicon Steel Rise in Shanghai (Jan 11)

UMETAL-CHINA, As the business starts today, prices for common steel products rise in Shanghai. Traders of silicon steel coil desire to draw up the prices while some traders of oriented silicon steel stop trading to wait and see.

Baosteel releases its electric steel price policy for Feb, based on the Jan price policy. Specifically, prices for 35 non-oriented silicon steel increase by RMB200/tonne as prices for other specifications rise by RMB100/tonne. Prices for oriented silicon steel grow by RMB300/tonne. Currently, B50A800\*1200 non-oriented silicon steel EXW prices are RMB9,055.8/tonne (VAT included). It is predicted that most mainstream EXW prices will rise in Feb and there will be a severe status of buying higher-selling lower. The total market inventory keeps at a low level and prices for some scarce resources increase significantly. The market costs will probably lift prices further, which is much likely to keep market prices going up.

The traders of oriented silicon steel stop selling to wait and see as the prices shoot up today in Shanghai. Under the stimulus of the new round of the countryside power system upgrade, Baosteel lifts oriented steel prices. 120 oriented steel from Wuhan Iron & Steel Corp., Ltd. (Wuhan Steel) are kind of in shortage and the traders are more confident about the price rise. Probably, prices for oriented steel will rise amid stability in the short run. (Contributing by Cheng Xubao; Editing by Ediee Jiang)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	EXW Price	Producer
Non-oriented Silicon Steel	B50A470	9,600-9,700	Baosteel
Non-oriented Silicon Steel	600	9,250-9,300	Wuhan Steel
Non-oriented Silicon Steel	800	8,400-8,450	Wuhan Steel
Non-oriented Silicon Steel	50WW1300	8,200	Wuhan Steel
Oriented Silicon Steel	30Q120	18,400-18,500	Wuhan Steel

## China: Strip Prices Drop Slightly amid Stability in Handan (Jan 13)

UMETAL-CHINA, The strip market fall gently amid stability in Handan as business starts today. Transactions are flat.

Yesterday, partial traders quoted strip at RMB 4,500/tonnes, which remains the same today.

Umetal cites reasons for the current market tendency as below.

Firstly, transactions are fairly favorable for low-priced resources. However, the traders are under pressures in dealing at RMB 4,520/tonne and, with few deals concluded, they lower their offers to RMB 4,500/tonne to play waiting games. If transactions turn better, they are likely to make a marginal increase in the afternoon.

Moreover, thin strip is in shortage in the local market, but deliveries from the steelmakers are increasing. The amount of heavy strip has risen to 1,000-3,000 tonnes in the spot market. Currently, heavy strip and 3.5mm wide strip are priced at the same level. Therefore, the stocks have little impact on the market changes.

Lastly, prices for 685-735mm strip series were once higher than those for 1500mm HRC and 1010mm wide strip. Currently, 1500mm HRC is offered at RMB 4,710-4,730/tonne being RMB 200/tonne higher than 685-735mm strip series, while 1010mm wide strip products see quotations at RMB 4,600-4,620/tonne, RMB 100/tonne above those for 685-735mm strip series. Such a sharp reversion is mainly attributed to the low inventories for HRC and wide strip, which supports the local strip prices.

According to the market sources, the current strip price difference between Handan and other areas like Tangshan and Shengfeng is reasonable. The market players, in view of strip settlement prices of the present month, are holding a wait-and-see attitude towards the coming market. It is predicted that the local strip market is likely to vibrate at high levels in the short term. (Contributing by Yan Man; Editing by Tobey Li)

The table below shows more details. (Unit: RMB/tonne)

Product	Specification	Price	Producer
Strip	3.5mm*735	4,500	Zongheng Steel
Strip	3.0mm*(685-735)	4,550	Zongheng Steel
Strip	3.75mm*520	4,530	Wenfeng Steel

### China: HR Steel Prices Grow Higher in Tianjin (Jan 13)

UMETAL-CHINA, HR steel prices mainly keep steady in Tianjin in the early market. However, with the price rises by Wuhan Steel and Shougang and the slight rise of the forward market, some traders quote higher

prices and more and more traders quote at RMB4,630-4,650/tonne. Currently, prices for 3.0mm\*1500°C HR steel are RMB4,650/tonne. Mainstream prices for 4.75mm\*1500°C HR steel products from Chengde Steel and Shougang stand at RMB4,620-4,650/tonne. Prices for 1800mm coil are quoted at RMB4,700/tonne and 1500mm low-alloy coil mainstream prices are RMB4,730-4,760/tonne.

Shougang raises HR steel prices by RMB200/tonne for Feb. Its EXW prices for Q2355.5mm\*1500°C HR steel are RMB4,070/tonne (VAT excluded). The price rise gives somewhat stimulus to the market. Although the transactions are sluggish, some traders still want to draw up the prices. Today the mainstream prices basically stay at RMB4,630/tonne. Although sometimes there is a low quote, some traders keep their high prices firm and give no rebate. In general, the transactions are not favorable and the market is immersed in a wait-and-see atmosphere. The low inventories and the rising EXW prices are still factors that can strongly boost the traders' confidence. (Reporting by Zhang Yanju; Editing by Ediee Jiang)

### China: H-beam Market Maintains Consolidation in Shanghai (Jan 14)

UMETAL-CHINA, Early this morning, major H-beam products prices stay stable while partial products prices see a slight increase in Shanghai. Presently, mainstream prices for small-sized H-beam reach RMB4,700-4,800/tonne. Large-sized H-beam is priced at RMB4,750-4,850/tonne.

Reportedly, H-beam market experienced a fair transaction in Shanghai yesterday. As Chinese Spring Festival approaches, end-users are playing waiting games and traders hold negative attitudes towards the coming market. Under such circumstances, prices for H-beam products are short of driving forces to see an uptrend. Currently, most traders are actively selling

resources. Some traders with large stocks even make deals below mainstream prices. According to some traders, local market is short of partial low alloy products. (Contributing by Cheng Xubao; Editing by Simon Liu)

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## China: Square Billet Prices Fluctuate in Tangshan (Jan 14)

UMETAL-CHINA, Square billet prices stayed steady in Tangshan yesterday. Currently, 150 common carbon billet prices were RMB4,220/tonne and prices for 165 rectangular billet stood at RMB4,250/tonne. 20MnSi billet EXW prices were quoted at RMB4,340/tonne (tax included, cash).

Umetal cited reasons for the current market status as below.

The prices for square billet in this area had been fluctuating within a range of RMB±10/tonne this week. There were not many days left before the Lunar New Year, and the billet prices were hard to make a

breakthrough. Steelmakers were producing normally with no stocked steel and there were line-ups before the gate waiting for supplies. These were the pre-orders and steelmakers still had raw material in stock, thus the steelmakers did not face much cost pressure.

The winter storage had already emerged, though it had much less significant effects on the market, if it had any, than in the past. Traders somewhat started to keep the inventory after Nov in the past years and the social inventory reached more than 1 million tonnes in the Lunar New Year period in 2010. However, the market changed quite a bit this year as the traders were digesting the stock slowly. Currently, the local inventory in Tangshan was less than 300,000 tonnes, which was totally different from the past. Although the current billet prices were the highest of the whole year, Tangshan billet market, supported by low inventories and high costs, would mainly keep strong amid fluctuations in the short run. (Compiling by Cheng Xubao; Editing by Ediee Jiang)

## Weekly Analysis on China's Steel Market

UMETAL-CHINA, The domestic first-tier steelmakers successively unveiled their Feb price policies in the week ending Jan 14, which happened to be in the middle of this month. Wuhan Steel, Baosteel and Shougang all lifted steel prices by RMB 100-300/tonne (VAT excluded) while Angang Steel and Benxi Steel were projected to raise Feb prices by about RMB 200/tonne. Taiyuan Steel and Hebei Steel would issue price policies beforehand on the approaching of the Spring Festival, so as to make sure to complete the orders for the next month. Moreover, under the speculations of BHP Billiton's monthly pricing system and the floods in Australia, steel scrap prices saw a growth of around RMB 300/tonne within two weeks in China East while prices for coke and iron ore showed slight gains as well. Under such circumstances, steel prices reached a high level this week. However, the 0.5% rise in deposit reserve ratio to take effect as of Jan 20, 2011 will boost the deposit reserve ratio for large financial institutions to 19.0% and will freeze RMB 350 billion funds. Such policy is likely to ease the traders' passion of making sharp increases.

### I Wire Rod & Rebar

The domestic construction steel market went upwards amid stability this week. Quotations for wire rod and rebar increased further in Beijing, Shanghai and Guangzhou. With constant rises for raw materials prices, steel production costs arrived at a high level. The traders were still holding a bullish attitude towards the coming market and it would be a certainty that high costs would lead to high steel prices. In spite of the coming Spring Festival, transactions remained fragile overall, whereas the traders, with enough capital at hand and under little inventory pressures, were highly expected to inject their cash into the market after the festival. Moreover, various steelmakers mainly raised their prices this week.

By Friday, HRB335 rebar and high-speed wire rod had each seen average prices at RMB 4,723/tonne and RMB 4,758/tonne, each rising by RMB 63/tonne and RMB 26/tonne from last week.

Under softening U.S. dollar and climbing rebar futures prices, the domestic steel spot market grew amid stability. The traders are still optimistic about the subsequent market, despite the flagging demand and the moderately higher social stockpile, and thus, unwilling to lower their prices, they are mostly playing waiting games. It is predicted that the Chinese construction steel market will basically stay steady before the festival, with possibilities to rise in partial regions.

## Rebar Price Chart



## Wire Rod & Rebar Prices in Major Cities of China (RMB/t)

Region	8mm High-speed Wire Rod			25mm HRB335 Rebar		
	Jan 14	Change from Previous Week	Change from Previous Month	Jan 14	Change from Previous Week	Change from Previous Month
Shanghai	4,740	-30	+60	4,600	+50	+80
Hangzhou	4,870	-10	+40	4,770	+40	+100
Nanjing	4,910	+20	+20	4,850	+50	+50

Region	8mm High-speed Wire Rod			25mm HRB335 Rebar		
	Jan 14	Change from Previous Week	Change from Previous Month	Jan 14	Change from Previous Week	Change from Previous Month
Wuhan	4,800	+30	+50	4,720	+40	+80
Guangzhou	4,930	+50	+80	4,930	+100	+100
Shenyang	4,600	-	-	4,490	-	+20
Beijing	4,610	+20	+40	4,620	+70	+100
Tianjin	4,600	+10	+50	4,650	+80	+150
Xi'an	4,740	+20	-	4,530	+70	+50
Chengdu	4,920	+40	+80	4,920	+60	+90
Chongqing	5,020	+50	+70	4,950	+50	+110

### Wire Rod & Rebar Inventories in Major Cities of China (1,000t)

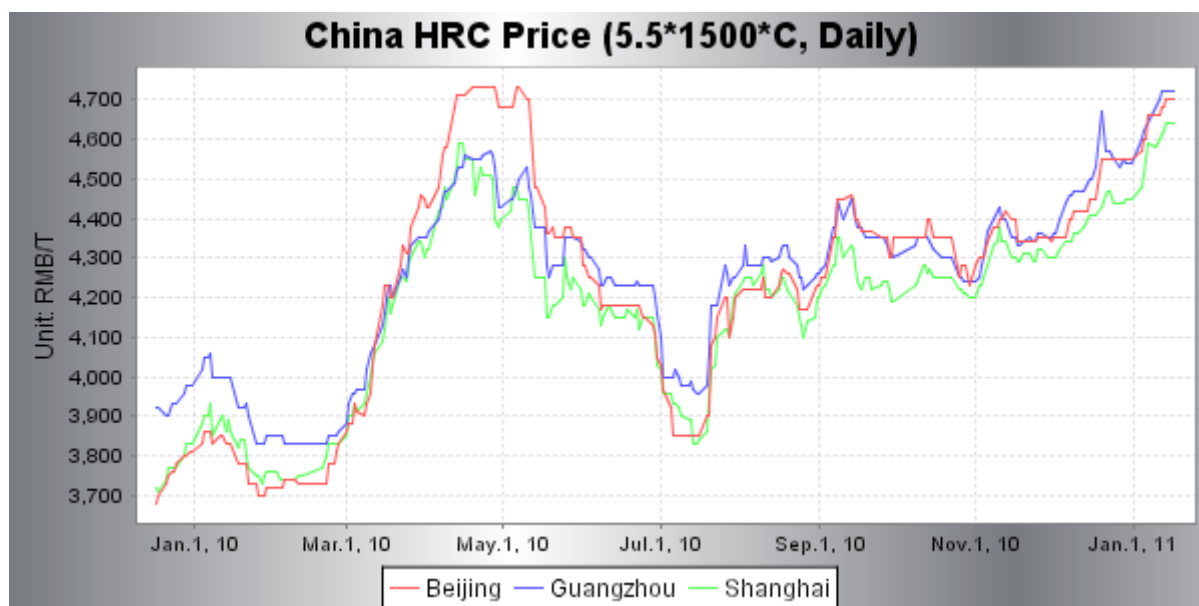
Region	Rebar		Wire Rod	
	Jan 14, 2011	Change from Jan 7	Jan 14, 2011	Change from Jan 7
Shanghai	411.3	9.63	92.08	8.52
Hangzhou	515.9	26.9	72.4	-3.8
Hefei	83	2	11	1.2
Nanjing	70	-1	12	1
Fuzhou	135	0	35	0
Jinan	39	1	10.5	0.5
Nanchang	68	3	22	2
Changsha	98	4	18	2
Zhengzhou	78	3	16	2
Wuhan	230	-5	40	5
Nanning	339.9	-14.2	133.5	-0.5
Liuzhou	43.9	-11.9	37.3	4.1
Guangzhou	281	8.3	201	12.2
Chengdu	289.5	3.3	34.2	2.7
Guiyang	44.38	2.16	13.153	0.437
Kunming	286.91	0	78.1	-2.3
Chongqing	192	3	52	7.7
Beijing	377.6	38.2	68.6	3.2
Tianjin	238	17	65.7	27
Taiyuan	98	8	19	6
Shijiazhuang	29.5	2.5	7	1.5
Lanzhou	150	-1	78	-1
Xi'an	127.7	15.7	34.5	3.8
Harbin	223	13	85	6
Changchun	63	14	37	12

-	Rebar		Wire Rod	
	Region	Jan 14, 2011	Change from Jan 7	Jan 14, 2011
Shenyang	238	23	100	15
<b>Total</b>	<b>4750.062</b>	<b>164.59</b>	<b>1373.033</b>	<b>116.257</b>

## II HR Coil/Plate

HR coil/plate prices kept robust growth this week, after rising for several weeks. At the start of this week, the HR steel market, having extended last week's uptrend, saw a rapid rise and a certain amount of deals closed. In the second half, both trading among the middlemen and purchases from the end-users declined, thus making the prices turn to stabilize. However, after Wednesday, hikes in the electronic trading stimulated the spot prices to gain tentatively at a slower pace. The market participants were still holding a bullish outlook towards the coming market. Moreover, EXW prices surges by the leading and key steelmakers also shored up the HR steel market. The support by steel production costs is expected to fade next week while the traders will face tight capital by the middle of this month despite their positive mentalities. Therefore, it is predicted that the HR steel market will stabilize after increases next week, with possibilities to be under weak adjustments

### HRC Price Chart



### HRC Prices in Major Cities of China (RMB/t)

Region	2.75mm Q235			5.5mm Q235		
	Jan 14, 2011	Change from Previous Week	Change from Previous Month	Jan 14, 2011	Change from Previous Week	Change from Previous Month
Shanghai	4,780	+60	+320	4,620	+30	+310
Nanjing	4,790	+80	+310	4,720	+80	+340
Hangzhou	4,830	+60	+320	4,710	+90	+350

Region	2.75mm Q235			5.5mm Q235		
	Jan 14, 2011	Change from Previous Week	Change from Previous Month	Jan 14, 2011	Change from Previous Week	Change from Previous Month
Jinan	4,830	+80	+280	4,750	+100	+350
Fuzhou	4,890	+200	+330	4,760	+100	+330
Guangzhou	4,850	+90	+350	4,720	+80	+380
Lecong	4,850	+90	+350	4,720	+80	+380
Wuhan	4,850	+90	+410	4,720	+90	+400
Zhengzhou	4,920	+90	+390	4,790	+80	+390
Changsha	4,900	+80	+420	4,760	+80	+430
Beijing	4,770	+40	+230	4,700	+40	+360
Tianjin	4,710	+60	+280	4,650	+80	+320
Handan	4,830	+90	+430	4,760	+80	+430
Taiyuan	4,820	+20	+400	4,720	+20	+370
Xi'an	4,970	+100	+370	4,870	+100	+420
Lanzhou	4,840	+140	+240	4,750	+140	+270
Chongqing	5,000	+50	+350	4,780	+40	+400
Chengdu	5,000	+70	+350	4,800	+70	+350
Shenyang	4,740	+40	+320	4,600	+40	+300
Harbin	4,700	+30	+220	4,630	+30	+230
Anshan	4,750	+100	+340	4,650	+100	+310

### HR Steel Inventories in Major Cities of China (1,000t)

Region	Jan 7, 2011	Jan 14, 2011	Change
Shanghai	1772.56	1760.48	-12.08
Fuzhou	19	20	1
Hangzhou	160.3	164.1	3.8
Hefei	2	2.5	0.5
Nanjing	73	75	2
Jinan	30	34	4
Wuxi	15	18	3
Changshu Port	208.8	203.2	-5.6
Taichang Port	46.42	44.55	-1.87
Changzhou	120.69	118.69	-2
Changsha	95	94	-1
Zhengzhou	30	32	2
Wuhan	184	181	-3
Guangzhou	1143	1131	-12
Chengdu	86.8	89.1	2.3
Chongqing	77.1	81.2	4.1
Beijing	50	48.5	-1.5



Region	Jan 7, 2011	Jan 14, 2011	Change
Tianjin	348	344	-4
Lanzhou	25	23	-2
Xi'an	35.4	34.5	-0.9
Harbin	75	76	1
Changchun	41	42	1
Shenyang	159	162	3
<b>Total</b>	<b>4797.07</b>	<b>4778.82</b>	<b>-18.25</b>

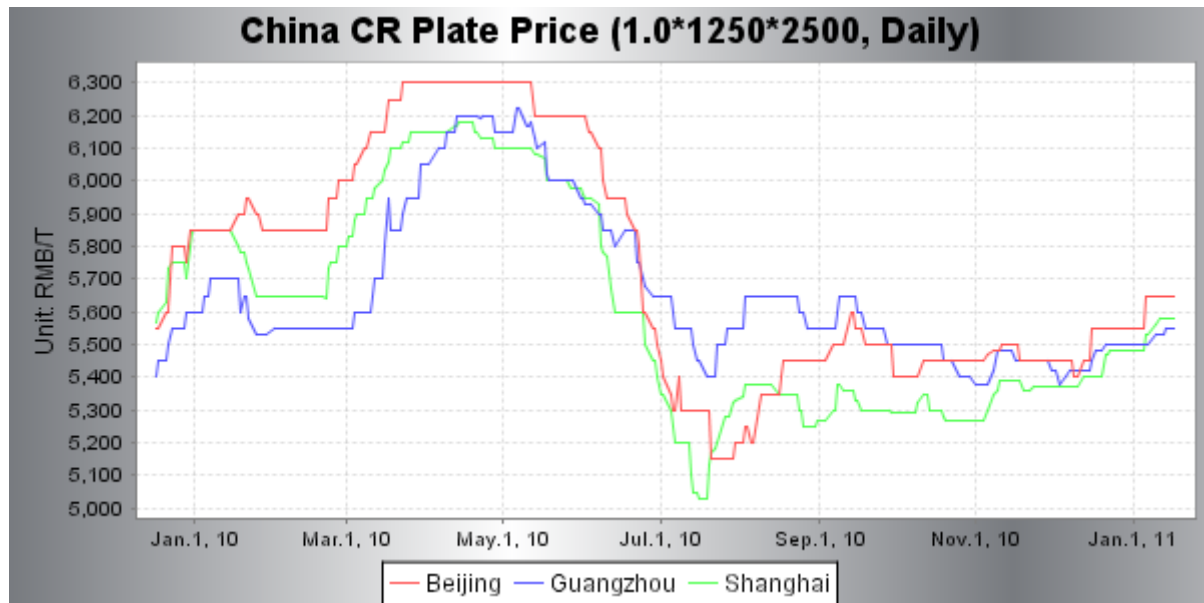
### Steelmakers' EXW Price Adjustments

Steelmaker	Specification	Effective Date	Change	Price	Remark
Baotou Steel	Q235/SS400 5.5mm Common Carbon HRC	Jan 14	+150	4,800	After-tax
Laiwu Steel		Jan 12	+100	4800	After-tax
Shougang		Jan 12	+200	4,070	Pre-tax
Wuhan Steel		Jan 12	+200	4,220	Pre-tax
Pangang Steel		Jan 11	+40	4,900	After-tax
Baosteel		Jan 11	+100	4,920	Pre-tax
Rizhao Steel		Jan 1	+30	4,633	After-tax, Shanghai
Masteel		Jan 1	+170	4,250	Pre-tax

### III CR Coil/Plate

The domestic CR plate market demonstrated an upswing amid stability, with different rates in various regions. Central and West China market saw a significant increase of RMB60-80/tonne while North China market maintained stability. Overall demands remained sluggish. As Chinese Spring Festival approaches, partial end users just purchases steel resources in small amounts. As for inventories, domestic CR plate inventories saw a slight increase because of the new arrivals of steel resources. Under such circumstances, CR plate prices will hardly see an uptrend before Chinese Spring Festival. As for steel mills, domestic major steelmakers raised EXW prices, which also push up spot prices. It is predicted that CR plate market will demonstrate a status of vibrant consolidation next week.

### CR Plate Price Chart



### 1.0mm CR Coil/Plate Prices in Major Cities of China (RMB/t)

City	SPCC 1.0mm CR Coil/Plate			Producer
	Jan 14, 2011	Change from Previous Week	Change from Previous Month	
Shanghai	5,580	+50	+100	Anshan Steel
Hangzhou	5,550	-	+70	Anshan Steel
Nanjing	5,520	+40	+100	WISCO
Jinan	5,600	+20	+150	WISCO
Qingdao	5,550	-	+70	Benxi Steel
Hefei	5,550	-	+50	Masteel
Fuzhou	5,600	+50	+150	Benxi Steel
Nanchang	5,620	+80	+100	WISCO
Guangzhou	5,550	+50	+50	Anshan Steel
Changsha	5,500	+70	+150	Lianyuan Steel
Wuhan	5,480	+150	+150	Anshan Steel
Zhengzhou	5,680	+100	+150	WISCO
Beijing	5,650	-	+100	Anshan Steel
Tianjin	5,600	-	+150	Anshan Steel
Shijiazhuang	5,750	-	+100	Anshan Steel
Taiyuan	5,700	-	+90	Anshan Steel
Shenyang	5,640	-	+40	Anshan Steel
Harbin	5,740	-	+40	Anshan Steel
Chongqing	5,580	+50	+160	Panzhihua Steel
Chengdu	5,570	+100	+170	Panzhihua Steel
Kunming	5,620	+40	+70	Panzhihua Steel

-	SPCC 1.0mm CR Coil/Plate			Producer	
	City	Jan 14, 2011	Change from Previous Week		Change from Previous Month
	Xi'an	5,550	+80	+100	WISCO
	Lanzhou	5,450	+50	+50	Baotou Steel
	Urumqi	5,380	+30	+130	Bayi Steel
	Average Price	5,583	+40	+103	-

### CR Steel Inventories in Major Cities of China (1,000t)

City	Jan 7, 2011	Jan 14, 2011	Change
Shanghai	502.58	503.14	0.56
Changzhou	13	13	0
Hangzhou	70.4	74.3	3.9
Hefei	2.1	3	0.9
Nanjing	22	25	3
Jinan	8	7.5	-0.5
Wuxi	4.5	6	1.5
Changshu Port	44.2	39.9	-4.3
Taicang Port	13.35	12.67	-0.68
Fuzhou	25	22.67	-2.33
Changsha	6.3	6.3	0
Zhengzhou	3.9	3.7	-0.2
Wuhan	34	33	-1
Guangzhou	566	564.5	-1.5
Chengdu	21.9	20.1	-1.8
Chongqing	34.7	34.9	0.2
Beijing	5.3	5.3	0
Tianjin	48	49	1
Lanzhou	6	5	-1
Xi'an	28.7	27.83	0.87
Harbin	7	7	0
Changchun	7	7	0
Shenyang	20	21	1
<b>Total</b>	<b>1493.93</b>	<b>1491.81</b>	<b>-2.12</b>

### Steelmakers' EXW Price Adjustments

Steelmaker	Change	Specification	Price	Effective Date	Remark
Baosteel	+100	1.0*1250*C SPCC	6,243	Jan 11	Tax-included
Masteel	+100	1.0*1250*C SPCC	5,792	Jan 12	Tax-included

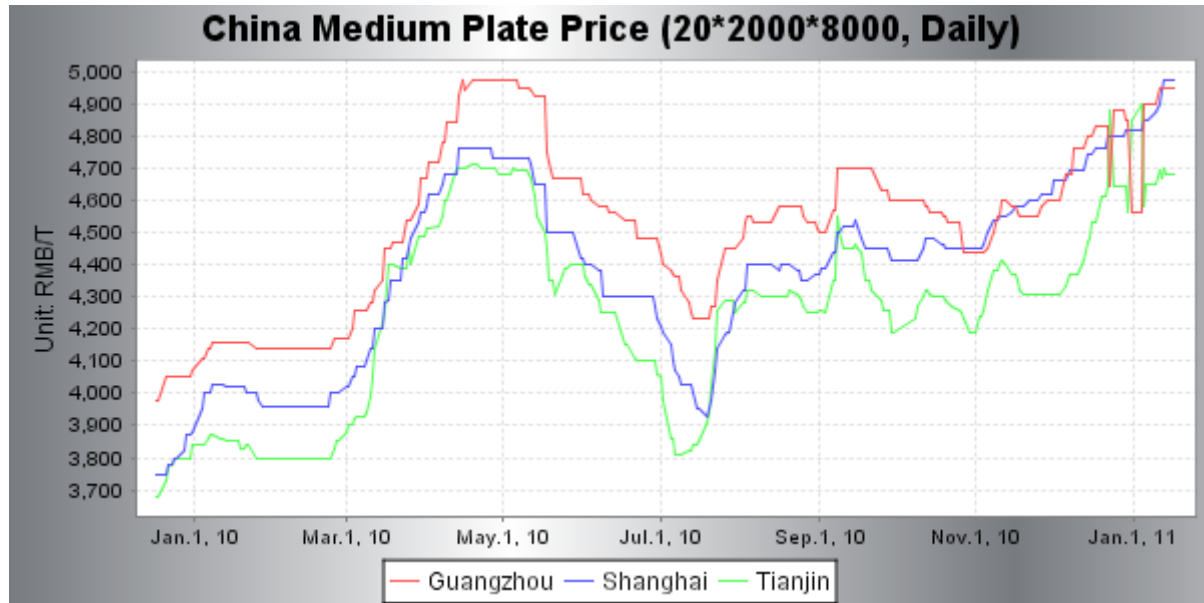
Steelmaker	Change	Specification	Price	Effective Date	Remark
Wuhan Steel	+100	1.0*1250*C SPCC	5,675	Jan 12	Tax-included
Laiwu Steel	+50	1.0*1250*C SPCC	5,510	Jan 12	Tax-included
Liuzhou Steel	+100	1.0*1250*C SPCC	6,040	Jan 13	Tax-included
Baotou Steel	+100	1.0*1250*C SPCC	5,450	Jan 14	Tax-included
Bayi Steel	+50	1.0*1250*C SPCC	5,400	Jan 13	Tax-included

#### IV Medium & Heavy Plate

The Chinese domestic medium plate market maintained a vibrant uptrend this week. Average prices for medium plate reached RMB4,830/tonne, up by RMB74/tonne from last Friday's RMB4,756/tonne. Medium plate prices witnessed a weekly increase of RMB100/tonne in East and South China and were up by RMB70-90/tonne in West China. Affected by sluggish demands, medium plate prices in North China maintained stability. As for demands, end-users still did not want to purchase steel resources. Under such circumstances, traders worried that steel market would demonstrate a downtrend and planned to sell their low-cost steel resources. As for steel mills, Baosteel and Shougang released their order prices for February, eying a slight increase compared with that for January. Other small and medium sized steelmakers would follow suit, which would provide a firm cost support for steel prices. It is predicted that medium plate market will step into consolidation next week.

Shipbuilding plate prices edged upwards amid stability this week. Driven by the price rises for medium plate and hot rolled plate and few arrivals of new resources, quotations for shipbuilding plate saw a slight increase in Shanghai and Nanjing. Due to a fair demands and high costs, most traders were cautious about ordering steel resources. Under such circumstances, local markets were short of new arrivals of resources. As for steel mills, Shougang unveiled its flat steel price policy for February and raised medium plate prices by RMB100/tonne. Presently, EXW prices for CCSA 20mm shipbuilding plate stand at RMB4,720/tonne. Supported by costs, shipbuilding plate market will hardly experience a downtrend in short terms. It is predicted that shipbuilding plate market will show a status of consolidation next week.

#### Medium Plate Price Chart



### 20mm Medium Plate Prices in Major Cities of China (RMB/t)

Region	20mm Medium Plate			Producer
	Jan 7, 2011	Jan 14, 2011	Change	
Shanghai	4,850	4,970	+120	Maanshan Steel
Hangzhou	4,830	4,940	+110	Zhaoshun Steel
Nanjing	4,840	4,920	+80	Maanshan Steel
Beijing	4,650	4,680	+30	Shougang
Tianjin	4,650	4,680	+30	Tianjin Steel
Guangzhou	4,900	4,950	+50	Shaoguan Steel
Wuhan	4,710	4,830	+120	Liuzhou Steel
Shenyang	4,710	4,780	+70	Tianjin Steel
Xi'an	4,700	4,750	+50	Jiuquan Steel
Chengdu	4,840	4,920	+80	Jiuquan Steel

### 20mm CCSB Shipbuilding Plate Prices in Major Cities of China (RMB/t)

Region	Jan 7, 2011	Jan 14, 2011	Change	Producer
Shanghai	4,950	5,150	+200	Xinyu Steel
Nanjing	4,950	5,050	+100	Nanjing Steel
Wuxi	4,750	4,850	+100	Masteel
Jiangyin	4,950	5,000	+50	Jinan Steel
Taizhou	5,000	5,150	+150	Shaogang
Fujian	5,000	5,050	+50	Sangang Steel
Qingdao	5,000	5,000	-	Jinan Steel
Guangzhou	4,878	4,878	-	Wuhan Steel

**Medium Plate Inventories in Major Cities of China (1,000t)**

Region	Jan 7, 2011	Jan 14, 2011	Change
Shanghai	364.05	365.98	1.93
Changzhou	12	12	0
Hangzhou	85.6	85.9	0.3
Hefei	4.2	5	0.8
Nanjing	50	52	2
Jinan	150	152	2
Wuxi	5.3	5.6	0.3
Changshu Port	106.7	101	-5.7
Taicang Port	43.41	54.49	11.08
Fuzhou	15	15	0
Changsha	35	33	-2
Zhengzhou	38	36	-2
Wuhan	42	40	-2
Guangzhou	134	136	2
Chengdu	33.1	40.8	7.7
Chongqing	46.2	47	0.8
Beijing	32.1	29.9	-2.2
Tianjin	80.6	78.3	-2.3
Lanzhou	25	24	-1
Xi'an	25	24	-1
Harbin	15	20	5
Changchun	13	16	3
Shenyang	32	34	2
<b>Total</b>	<b>1387.26</b>	<b>1407.97</b>	<b>20.71</b>

**Steelmakers' EXW Price Adjustments**

-	20mm Medium Plate				
	Steelmaker	Effective Date	Change	Price	Remark
	Baosteel	Jan 11	+100	4,800	Tax-excluded / Order prices for Feb
	Jinan Steel	Jan 14	+100	--	Tax-included / Effective from Jan 14
	Masteel;	Jan 10	+130	5,066	Tax-included / Order prices for mid-Jan
	Shougang	Jan 14	+100	4,520	Tax-excluded / Order prices for Feb

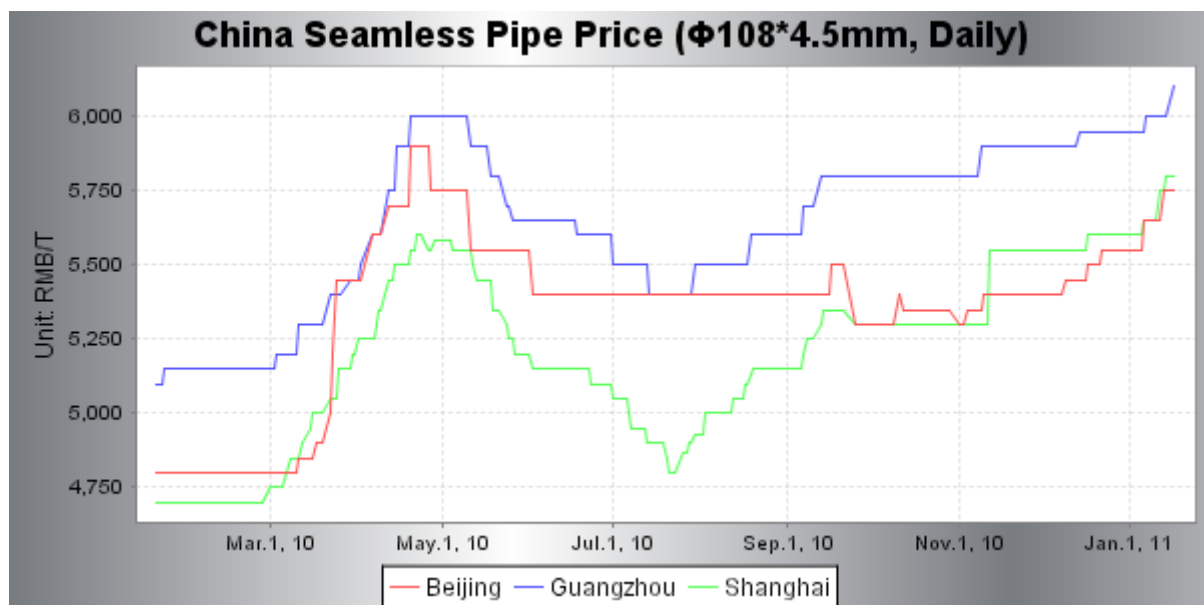
20mm Medium Plate				
Steelmaker	Effective Date	Change	Price	Remark
Baotou Steel	Jan 14	+180	5,010	Tax-included / Settlement prices from Jan 1 to 15
Wuhan Steel	Jan 12	+200	4,330	Tax-excluded / Order prices for Feb
Shaoguan Steel	Jan 13	+30	5,020	Tax-included / Effective from Jan 13

## V Steel Pipe/Tube

Domestic welded pipe market showed an uptrend amid stability. Driven by rising prices of raw materials, overall steel market maintained an upswing and prices for steel billet and strip steel were at a high level. Under such circumstances, welded pipe producers were eager to push up EXW prices. As for welded pipe mills, considering the sluggish demands and few shipments, most welded pipe mills lifted EXW prices. As for markets, traders experienced bad shipments. Supported by inventories, most traders raised their selling prices. Currently, prices for welded pipe products demonstrate an uptrend supported by costs. It is predicted that welded pipe market will show an uptrend amid stability in the coming days.

Overall seamless pipe market showed uptrend. 108\*4.5 seamless pipe prices grew by RMB50/tonne-RMB150/tonne accumulatively. As most welded pipe mills raised their products' EXW prices, the price gap between EXW prices and market prices became more significant. Affected by that, seamless pipe traders had to raise selling prices. As Chinese Spring Festival approaches, seamless pipe market will maintain temporary stability.

### Seamless Steel Pipe Price Chart



**Seamless Steel Pipe Prices in Major Cities of China (RMB/t)(No Update)**

-	108mm*4.5mm (8162)			
City	Jan 10, 2011	Jan 14, 2011	Change	Producing Place
Shanghai	5,700	5,800	+100	Shandong
Hangzhou	5,750	5,750	-	Chonggang
Nanjing	5,680	5,680	-	Wuxi
Wuxi	5,800	5,950	+150	Wuxi/Shandong
Liaocheng	5,600	5,650	+50	Shandong
Linfen	5,650	5,650	-	Shandong
Qindao	5,900	5,900	-	Shandong
Fuzhou	5,900	6,000	+100	Shandong
Nanchang	5,600	5,700	+100	Hongdu
Guangzhou	6,000	6,000	-	Shandong
Lecong	6,050	6,050	-	Xinyu
Wuhan	5,650	5,750	+100	Hanzha
Changsha	5,800	5,900	+100	Shandong
Zhengzhou	5,650	5,750	+100	Henan
Beijing	5,650	5,750	+100	Shandong
Tianjin	5,650	5,700	+50	Tianjin
Cangzhou	5,650	5,800	+150	Shandong
Shenyang	5,900	6,000	+100	Ansteel
Harbin	5,950	6,050	+100	Panshi
Chongqing	5,800	5,800	-	Chongqing Steel
Chengdu	6,150	6,150	-	Jintang
Xi'an	5,650	5,650	-	Hongdu
Lanzhou	5,750	5,750	-	Henan
Average	5,777	5,834	+57	

**Welded Tube Prices in Major Cities of China (RMB/t)**

-	Spec: 1.1/2" (Q235)			
City	Jan 14, 2011	Change from Previous Week	Change from Previous Month	Producing Place
Beijing	4,720	+40	+120	Tangshan
Tianjin	4,760	+40	+180	Tianjin
Tangshan	4,730	+50	+110	Tangshan
Shanghai	4,880	+30	+80	Tangshan
Hangzhou	4,900	+40	+90	Tangshan
Nanjing	4,840	+60	+100	Tangshan
Guangzhou	4,900	-	+50	Guangzhou



-				
Spec: 1.1/2" (Q235)				
City	Jan 14, 2011	Change from Previous Week	Change from Previous Month	Producing Place
Wuhan	4,810	-	+50	Tangshan
Xi'an	4,880	+30	+110	Tangshan
Shenyang	4,820	+50	+150	Tangshan
Chengdu	4,960	-	+20	Tangshan
Chongqing	5,090	+30	+80	Tangshan

-				
Spec: 4"GB (Q235)				
City	Jan 14, 2011	Change from Previous Week	Change from Previous Month	Producing Place
Beijing	4,720	+40	+120	Tangshan
Tianjin	4,760	+40	+180	Tianjin
Tangshan	4,670	+50	+130	Tangshan
Shanghai	4,880	+30	+80	Tangshan
Hangzhou	4,900	+40	+90	Tangshan
Nanjing	4,830	+60	+100	Tangshan
Guangzhou	4,900	-	+50	Guangzhou
Wuhan	4,800	-	+50	Tangshan
Xi'an	4,880	+30	+110	Tangshan
Shenyang	4,850	+50	+150	Tangshan
Chengdu	4,950	+50	+70	Tangshan
Chongqing	5,050	+30	+80	Tangshan

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